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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

RELATING TO TAXATION - CIGARETTE TAX

Introduced By: Representative Christopher M. Fierro

Date Introduced: February 02, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-20-1 of the General Laws in Chapter 44-20 entitled "Cigarette
2 Tax" is hereby amended to read as follows:

3 **44-20-1. Definitions.** – Whenever used in this chapter, unless the context requires
4 otherwise:

5 (1) "Administrator" means the tax administrator;

6 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette
7 form, and each sheet of cigarette rolling paper;

8 (3) "Dealer" means any person whether located within or outside of this state, who sells
9 or distributes cigarettes to a consumer in this state;

10 (4) "Distributor" means any person:

11 (A) Whether located within or outside of this state, other than a dealer, who sells or
12 distributes cigarettes within or into this state. Such term shall not include any cigarette
13 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C.
14 section 5712, if such person sells or distributes cigarettes in this state only to licensed distributors,
15 or to an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C.
16 section 5712;

17 (B) Selling cigarettes directly to consumers in this state by means of at least twenty-five
18 (25) cigarette vending machines or selling cigarettes directly to consumers at retail, and
19 maintaining one or more regular places of business in this state for that purpose and who

1 distributes cigarettes to a minimum of ninety (90) retail outlets;

2 (5) "Importer" means any person who imports into the United States, either directly or
3 indirectly, a finished cigarette for sale or distribution;

4 (6) "Licensed", when used with reference to a manufacturer, importer, distributor or
5 dealer, means only those persons who hold a valid and current license issued under section 44-20-
6 2 for the type of business being engaged in. When the term "licensed" is used before a list of
7 entities, such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term
8 shall be deemed to apply to each entity in such list;

9 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,
10 processes, or labels a finished cigarette;

11 (8) "Person" means any individual, firm, fiduciary, partnership, corporation, trust, or
12 association, however formed;

13 (9) "Place of business" means and includes any place where cigarettes are sold or where
14 cigarettes are stored or kept for the purpose of sale or consumption, including any vessel, vehicle,
15 airplane, train, or vending machine;

16 (10) "Sale" or "sell" includes and applies to gifts, exchanges, and barter;

17 (11) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,
18 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of
19 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a
20 sale or distribution in this state that is exempt from state tax under the provisions of state law; and
21 also includes impressions made by metering machines authorized to be used under the provisions
22 of this chapter;

23 (12) "Snuff" means any finely cut, ground, or powdered tobacco that is not intended to be
24 smoked.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would expand the definition of "Distributor" for purposes of the state cigarette
2 tax laws by permitting holders of a Class B distributor license on July 1, 2007 to retain this
3 license until May 31, 2010.

4 This act would take effect upon passage.

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