

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH50213-MCx-98A (2/20)

Short Title: Increase Tobacco Products Tax. (Public)

Sponsors: Representatives Weiss, Glazier, Luebke, and Wainwright (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE TAX FOR CIGARETTES AND OTHER TOBACCO
3 PRODUCTS AND TO PROVIDE INCREASED FUNDS TO MEET THE MENTAL
4 HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICE
5 NEEDS OF CITIZENS OF THE STATE.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 105-113.5 reads as rewritten:

8 "§ 105-113.5. Tax on cigarettes.

9 (a) Tax. – A tax is levied on the sale or possession for sale in this State, by a distributor,
10 of all cigarettes at the rate of ~~one and three fourths cents (1.75¢)~~ five and one-half cents (5.5¢)
11 per individual cigarette.

12 (b) Use. – Of the funds collected pursuant to this section and G.S. 105-113.6, as
13 adjusted for any discounts or refunds allowed pursuant to G.S. 105-113.21, the Secretary shall
14 deposit an amount equal to the rate of three hundred seventy-five thousandths cents (.375¢) per
15 individual cigarette to the Trust Fund for Mental Health, Developmental Disabilities, and
16 Substance Abuse Services and Bridge Funding Needs established pursuant to G.S. 143C-9-2,
17 and the Secretary shall deposit the remainder of the funds to the General Fund."

18 SECTION 2. G.S. 105-113.35 reads as rewritten:

19 (a) Tax. – An excise tax is levied on tobacco products other than cigarettes at the rate of
20 ~~ten percent (10%)~~ thirty-one percent (31%) of the cost price of the products. This tax does not
21 apply to the following:

- 22 (1) A tobacco product sold outside the State.
23 (2) A tobacco product sold to the federal government.
24 (3) A sample tobacco product distributed without charge.

25 ...

26 (e) Use. – Of the funds collected pursuant to this section, the Secretary shall deposit an
27 amount equal to ~~three percent (3%)~~ twenty-two percent (22%) of the cost price of the products
28 to the General Fund, the Secretary shall deposit an amount equal to two percent (2%) of the
29 cost price of the products to the Trust Fund for Mental Health, Developmental Disabilities, and
30 Substance Abuse Services and Bridge Funding Needs established pursuant to G.S. 143C-9-2,
31 and the Secretary shall remit the remainder of the funds to the University Cancer Research
32 Fund established pursuant to G.S. 116-29.1."

33 SECTION 3. This act becomes effective July 1, 2009.

