

March 22, 2007

**S 1411. RESTORE CIGARETTE TAX STAMPS.** Filed 3/21/07. *TO PROVIDE FOR PAYMENT OF CIGARETTE TAXES BY STAMP, TO LIMIT THE RECEIPT AND SALE OF NON-TAX-PAID CIGARETTES, AND TO LIMIT RETAIL SALES.*

Enacts GS 105-113.19A to require that cigarette taxes levied by GS 105-113.5 be paid or payment evidenced by the use of tax stamps, to require that tax-exempt stamps be used to show exemption, and to enact implementing provisions. New GS 105-113.20A provides that only licensed distributors may affix stamps, specifies when stamps may be affixed, prohibits a distributor from selling, borrowing, loaning, buying, or exchanging stamps, and provides that only distributors may possess or receive non-tax-paid cigarettes. Amends GS 105-113.18(1) to require reporting by every distributor required to affix stamps. Amends GS 105-113.21(a1) to allow a discount on the sales of stamps for the distributor's services and expenses. Enacts GS 105-113.23A authorizing the Secretary of Revenue to permit the use of stamp metering machines. Provides for redemption and refund of stamps. Amends GS 105-113.27 to regulate shipment or delivery of non-tax-paid cigarettes in, into, or from the state. Amends GS 105-113.31(b)(4) and (b)(5) to require destruction of contraband cigarettes. Enacts GS 105-113.33A, limiting retail sales to a person. New GS 105-113.33B provides for imposition of a fine on a retail dealer who unlawfully sells or possesses non-tax-paid cigarettes. Enacts new GS 105-113.34A creating new felony offenses related to forging or counterfeiting stamps. Upon conviction the person may be fined not more than \$2,000 or imprisoned for a term of not more than five years, or both. Effective July 1, 2007.

**Intro. by Hartsell.**

GS 105