

March 17, 2009

H 640. INCREASE TOBACCO PRODUCTS TAX. Filed 3/17/09. *TO INCREASE THE TAX FOR CIGARETTES AND OTHER TOBACCO PRODUCTS AND TO PROVIDE INCREASED FUNDS TO MEET THE MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICE NEEDS OF CITIZENS OF THE STATE.*

Amends GS 105-113.5 to increase the tax levied on the sale or possession for sale in the state by a distributor of all cigarettes to a rate of 5.5 cents (was, 1.75 cents) per individual cigarette. Requires that the Secretary of Revenue (Secretary), after adjusting for any discounts or refunds allowed pursuant to GS 105-113.21, deposit, from collected funds under this section and GS 105-113.6, an amount equal to the rate of .375 cents per individual cigarette to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs, with the remainder deposited in the General Fund.

Amends GS 105-113.35 to increase the excise tax levied on tobacco products other than cigarettes to a rate of 31% (was, 10%) of the cost price of the products. Of the funds collected, requires the Secretary to (1) deposit an amount equal to 22% (was, 3%) of the cost price of the products to the General Fund and (2) deposit an amount equal to 2% of the cost price of products to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs. Retains language providing that the remainder of the funds are remitted to the University Cancer Research Fund.

Effective July 1, 2009.

Intro. by Weiss, Glazier, Luebke, Wainwright. GS 105