

1 H BILL NO. 518
 2 INTRODUCED BY Waldron Ray Kula
 3 Edwards Rennett O'Kelly Holmes
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 84-5606.9, R.C.M. 1947, TO PERMIT A LICENSED WHOLESALER,
 6 SUBJOBBER, RETAILER, OR VENDOR TO SELL CIGARETTES TO A
 7 RESIDENT OR NONRESIDENT PERSON, WHOLESALER, SUBJOBBER,
 8 RETAILER, OR VENDOR WHO IS EXEMPT FROM STATE CIGARETTE
 9 TAXATION PROVISIONS."
 10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 84-5606.9, R.C.M. 1947, is amended
 13 to read as follows:
 14 "84-5606.9. Unlawful acts when license not current and
 15 valid -- sales to licensed wholesalers, subjobbers,
 16 retailers and cigarette vendors only -- sales to a resident
 17 and nonresident person, wholesaler, subjobber, retailer, or
 18 vendor who is exempt from state cigarette taxation
 19 provisions -- misdemeanor -- forfeiture. (1) No person shall
 20 sell, offer to sell, or possess with intent to sell, any
 21 cigarettes, at wholesale or retail unless his license is
 22 current and valid, under the provisions of this act.
 23 (2) No person shall sell, offer to sell or possess
 24 with intent to sell, any cigarettes, at wholesale or retail,
 25 to a resident or nonresident wholesaler, subjobber, retailer

INTRODUCED BILL

1 or vendor who is not licensed under this act or who is not
 2 licensed by the state in which he sells, offers to sell or
 3 intends to sell cigarettes, except that a wholesaler,
 4 subjobber, retailer, or vendor licensed under the provisions
 5 of this chapter may sell cigarettes to a resident or
 6 nonresident person, wholesaler, subjobber, retailer, or
 7 vendor not licensed under this chapter if:
 8 (a) such resident or nonresident person, wholesaler,
 9 subjobber, or vendor is exempt from state cigarette
 10 taxation provisions; and
 11 (b) such resident or nonresident person, wholesaler,
 12 subjobber, retailer, or vendor furnishes documentary
 13 evidence that he is exempt from state cigarette taxation
 14 provisions; and
 15 (c) such resident or nonresident person, wholesaler,
 16 subjobber, retailer, or vendor signs a receipt of purchase
 17 for any cigarettes evidencing that he is exempt from state
 18 cigarette taxation provisions.
 19 (3) Any person violating the provisions of this
 20 section is guilty of a misdemeanor, and shall be punished as
 21 hereinafter provided, and all cigarettes in his possession
 22 shall be seized and forfeited to the state."

-End-

HB 518

STATE OF MONTANA

REQUEST NO. 557-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 17, 19 77, there is hereby submitted a Fiscal Note for House Bill 518 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill permits a licensed wholesaler, subjobber, retailer, or vendor to sell cigarettes to a resident or nonresident person, wholesaler, subjobber, retailer, or vendor who is exempt from state cigarette taxation provisions.

ASSUMPTION

There is no way to give a precise estimate of the fiscal impact of this bill. It is felt that in the long run that this bill would make unstamped cigarettes easier to obtain. This could cause a reduction of the cigarette tax revenues.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drayton
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-21-77

Approved by Committee
on Taxation

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2 INTRODUCED BY WALDRON, FA3REGA,
3 KIMBLE, HALVORSON, KENNERLY, J1KEEFE, HOLMES
4
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17 retailers and cigarette vendors only -- sales to a resident
18 and nonresident person, wholesaler, subjobber, OR retailer,
19 or vendor who is exempt from state cigarette taxation
20 provisions -- misdemeanor -- forfeiture. (1) No person shall
21 sell, offer to sell, or possess with intent to sell, any
22 cigarettes, at wholesale or retail unless his license is
23 current and valid, under the provisions of this act.
24 (2) No person shall sell, offer to sell or possess
25 with intent to sell, any cigarettes, at wholesale or retail,

1 to a resident or nonresident wholesaler, subjobber, retailer
2 or vendor who is not licensed under this act or who is not
3 licensed by the state in which he sells, offers to sell or
4 intends to sell cigarettes, except that a wholesaler,
5 subjobber, retailer, or vendor licensed under the provisions
6 of this chapter may sell cigarettes to a resident or
7 nonresident person, wholesaler, subjobber, retailer, or
8 vendor not licensed under this chapter if:
9 (a) such resident or nonresident person, wholesaler,
10 OR subjobber, or vendor is exempt from state cigarette
11 taxation provisions; and
12 (b) such resident or nonresident person, wholesaler,
13 subjobber, OR retailer, or vendor furnishes documentary
14 evidence that he is exempt from state cigarette taxation
15 provisions; and
16 (c) such resident or nonresident person, wholesaler,
17 subjobber, OR retailer, or vendor signs a receipt of
18 purchase for any cigarettes evidencing that he is exempt
19 from state cigarette taxation provisions.
20 (3) Any person violating the provisions of this
21 section is guilty of a misdemeanor, and shall be punished as
22 hereinafter provided, and all cigarettes in his possession
23 shall be seized and forfeited to the state."
-End-