

SENATE BILL 2593

By Norris

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 25 and Title 67, Chapter 4, Part 10, relative to taxation of cigarettes and other tobacco products.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 10, is amended by adding the following as a new section:

67-4-1034.

(a) Any wholesale dealer and jobber authorized to affix tax stamps to packages of cigarettes pursuant to § 67-4-1006 or required to pay tax on tobacco products other than cigarettes pursuant to § 67-4-1002 who, on the effective date of any increase in the rate of tax imposed by § 67-4-1004 or § 67-4-1005, possesses for sale an inventory of unaffixed cigarette tax stamps, cigarettes bearing a Tennessee tax stamp, or other tobacco products upon which Tennessee tax has been paid, shall pay an additional tax on the inventory pursuant to this section.

(b) Any person subject to the inventory tax imposed by this section shall complete an inventory at the start of business on the effective date of the increased tax rate to determine the quantity in possession for purposes of calculating the inventory tax.

(c) The person shall report the inventory of unaffixed tax stamps, cigarettes bearing Tennessee tax stamps, and other tobacco products upon which Tennessee tax has been paid on forms provided by the commissioner. The report shall be submitted to the department within thirty (30) days of the last day of the month in which the increased tax rate becomes effective.

(d) The rate of the inventory tax is equal to the difference between the increased tax rate and the previous tax rate multiplied by the amount of the inventory of unaffixed tax stamps, cigarettes bearing a Tennessee tax stamp, and other tobacco products upon which the Tennessee tax has been paid.

(e) The report required by subsection (c) shall be accompanied by payment of the inventory tax calculated in accordance with subsection (d). Payment shall be made on or before the due date of the report.

SECTION 2. Tennessee Code Annotated, Section 67-4-1025, is amended by adding the following as a new subsection (f):

(f) Notwithstanding subsections (a) and (b) to the contrary, all revenue generated from the additional inventory tax imposed by § 67-4-1034 shall be deposited in the education trust fund created by title 49, chapter 3.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.