

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Reclassify Certain Tobacco Products

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §1555-B, sub-§12 is enacted to read:

12. Notice for small cigars. The declaration of the classification "small cigars" for federal tax purposes must appear on the package of small cigars.

Sec. 2. 36 MRSA §4361, sub-§1-A, as amended by PL 1997, c. 458, §1, is further amended to read:

1-A. Cigarette. "Cigarette" means a cigarette, as defined in Section 5702 of the Code.:

A. Any roll of tobacco wrapped in paper or in any substance not containing tobacco; or

B. Any roll of tobacco wrapped in a substance containing tobacco and:

(1) Put up in a package that bears a product designation or tax classification specified in 27 Code of Federal Regulations, Part 40.215;

(2) Having a typical cigarette size and shape, having a cellulose acetate or other cigarette-type integrated filter or put up in a traditional cigarette-type package that does not bear the notice requirements for little cigars under Title 22, section 1555-B, subsection 12; or

(3) Having a filler primarily consisting of flue-cured, burley, oriental or unfermented tobaccos or having a filler material yielding the smoking characteristics of any of those tobaccos.

Sec. 3. 36 MRSA §4361, sub-§4-B is enacted to read:

4-B. Little cigars. "Little cigars" means any tobacco product consisting of a roll of tobacco wrapped in a substance containing tobacco and classified as a cigarette rather than as a cigar pursuant to section 4401, subsection 1-A, subparagraph (2).

Sec. 4. 36 MRSA §4361, sub-§7-A is enacted to read:

7-A. Substance containing tobacco. "Substance containing tobacco" means any reconstituted tobacco sheet or any other material, other than leaf tobacco, of which at least 2/3 by weight consists of tobacco leaf or other fibrous material from the plant *Nicotiana tabacum* or the plant *Nicotiana rustica*.

Sec. 5. 36 MRSA §4361, sub-§7-B is enacted to read:

7-B. Substance not containing tobacco. "Substance not containing tobacco" means any paper or any other material of which less than 2/3 by weight consists of tobacco leaf or other fibrous material from the plant Nicotiana tabacum or the plant Nicotiana rustica.

Sec. 6. 36 MRSA §4382-A is enacted to read:

§ 4382-A. Revenue

Revenue generated from the taxation of little cigars must be used to fund the State's health plan, pursuant to Title 2, section 103. The State Tax Assessor shall adopt rules to carry out the provisions of this section by January 1, 2008. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 7. 36 MRSA §4401, sub-§1-A is enacted to read:

1-A. Cigar. "Cigar" means a tobacco product that:

A. Consists of a roll of tobacco wrapped in leaf tobacco; or

B. Consists of a roll of tobacco that is not classifiable as a cigarette under section 4361, subsection 1-A.

SUMMARY

This bill clarifies the laws with respect to cigarettes and cigars, for tax and other purposes. The bill reclassifies certain tobacco products such as little cigars, which are, in content, design, size and shape, substantially similar to traditional cigarettes. The bill also directs the State Tax Assessor to adopt rules to carry out the provision of the Maine Revised Statutes, Title 36, section 4382-A, which is enacted in the bill.