



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1658

H.P. 1099

House of Representatives, April 15, 2025

An Act to Preserve and Strengthen the Fund for a Healthy Maine

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GRAHAM of North Yarmouth.
Cosponsored by Senator INGWERSEN of York and
Representatives: MEYER of Eliot, MOONEN of Portland, SHAGOURY of Hallowell,
STOVER of Boothbay, ZAGER of Portland.

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

2 **Sec. 1. 22 MRSA §1511, sub-§2, ¶B**, as enacted by PL 1999, c. 401, Pt. V, §1, is
3 amended to read:

4 B. Money from any other source, whether public or private, designated for deposit into
5 or credited to the fund, including, without limitation, revenue from the tax imposed on
6 cigarettes pursuant to Title 36, chapter 703 and the tax imposed on tobacco products
7 pursuant to Title 36, chapter 704; and

8 **Sec. 2. 36 MRSA §4365**, as amended by PL 2005, c. 457, Pt. AA, §1 and affected
9 by §8, is further amended to read:

10 **§4365. Rate of tax**

11 A Before January 5, 2026, a tax is imposed on all cigarettes imported into this State or
12 held in this State by any person for sale at the rate of 100 mills for each cigarette. Beginning
13 January 5, 2026, a tax is imposed on all cigarettes imported into this State or held in this
14 State by any person for sale at the rate of 150 mills for each cigarette. Payment of the tax
15 is evidenced by the affixing of stamps to the packages containing the cigarettes.

16 **Sec. 3. 36 MRSA §4365-F**, as enacted by PL 2005, c. 457, Pt. AA, §3 and affected
17 by §8, is repealed.

18 **Sec. 4. 36 MRSA §4365-G** is enacted to read:

19 **§4365-G. Application of cigarette tax rate increase effective January 5, 2026**

20 The following provisions apply to cigarettes held for resale on January 5, 2026.

21 **1. Stamped rate.** Cigarettes stamped at the rate of 100 mills per cigarette and held for
22 resale on or after January 5, 2026 are subject to tax at the rate of 150 mills per cigarette.

23 **2. Liability.** A person possessing cigarettes for resale is liable for the difference
24 between the tax rate of 150 mills per cigarette and the tax rate of 100 mills per cigarette in
25 effect before January 5, 2026. Stamps indicating payment of the tax imposed by this section
26 must be affixed to all packages of cigarettes held for resale as of January 5, 2026, except
27 that cigarettes held in vending machines as of that date do not require that stamp.

28 **3. Vending machines.** Notwithstanding any other provision of this chapter, it is
29 presumed that all cigarette vending machines are filled to capacity on January 5, 2026 and
30 that the tax imposed by this section must be reported on that basis. A credit against this
31 inventory tax must be allowed for cigarettes stamped at the rate of 150 mills per cigarette
32 placed in vending machines before January 5, 2026.

33 **4. Payment.** Payment of the tax imposed by this section must be made to the assessor
34 by April 1, 2026, accompanied by forms prescribed by the assessor.

35 **Sec. 5. 36 MRSA §4366-A, sub-§2, ¶D**, as amended by PL 2007, c. 438, §93, is
36 further amended to read:

37 D. For stamps at the face value of ~~400~~ 150 mills, the discount rate is ~~1.15%~~ 0.77%.

38 **Sec. 6. 36 MRSA §4381** is amended to read:

39 **§4381. Tax credited to General Fund and Fund for a Healthy Maine**

1 The revenue derived from the tax imposed by this chapter ~~shall~~ must be credited to the
2 General Fund of the State and, beginning in fiscal year 2027-28, to the Fund for a Healthy
3 Maine, as specified in section 4410.

4 **Sec. 7. 36 MRSA §4401, sub-§9**, as amended by PL 2023, c. 613, Pt. B, §5, is
5 further amended to read:

6 **9. Tobacco products.** "Tobacco products" means any products that are made from or
7 derived from tobacco, or that contain nicotine, whether natural, synthetic or artificial,
8 including, but not limited to, cigars, including premium cigars; cheroots; stogies; electronic
9 smoking devices and liquids used in electronic smoking devices whether or not they contain
10 nicotine; periques, granulated, plug cut, crimp cut, ready rubbed and other smoking
11 tobacco; snuff; snuff flour; snus; cavendish; plug and twist tobacco; finecut and other
12 chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and
13 other kinds and forms of tobacco, prepared in such manner as to be intended for human
14 consumption or as is likely to be consumed, whether smoked, heated, chewed, absorbed,
15 dissolved, inhaled or ingested by any other means.

16 **Sec. 8. 36 MRSA §4403**, as amended by PL 2023, c. 441, Pt. E, §§16 to 19 and
17 affected by §28, is further amended to read:

18 **§4403. Tax on tobacco products**

19 **1. Smokeless tobacco before January 5, 2026.** A Before January 5, 2026, a tax is
20 imposed on smokeless tobacco, including chewing tobacco and snuff, at the rate of:

21 A. On amounts of smokeless tobacco packaged for sale to the consumer in a package
22 that contains one ounce or more of smokeless tobacco, \$2.02 per ounce and prorated;
23 and

24 B. On smokeless tobacco packaged for sale to the consumer in a package that contains
25 less than one ounce of smokeless tobacco, \$2.02 per package.

26 ~~Beginning January 2, 2020, the tax rates in this subsection are subject to adjustment~~
27 ~~pursuant to subsection 5.~~

28 **1-A. Smokeless tobacco on or after January 5, 2026.** On or after January 5, 2026,
29 a tax is imposed on smokeless tobacco, including chewing tobacco and snuff, at the rate of:

30 A. On amounts of smokeless tobacco packaged for sale to the consumer in a package
31 that contains one ounce or more of smokeless tobacco, \$3.03 per ounce and prorated;
32 and

33 B. On smokeless tobacco packaged for sale to the consumer in a package that contains
34 less than one ounce of smokeless tobacco, \$3.03 per package.

35 **2. Other tobacco.** Beginning January 2, 2020, and before January 1, 2024, a tax is
36 imposed on all tobacco products, other than those subject to tax under subsection 1, at the
37 rate of 43% of the wholesale sales price. Beginning January 1, 2024, and before January 5,
38 2026, a tax is imposed on all tobacco products, other than those subject to tax under
39 subsection 1, at the rate of 43% of the cost price. ~~Beginning January 2, 2020, the tax rate~~
40 ~~imposed pursuant to this subsection is subject to adjustment pursuant to subsection 5~~
41 Beginning January 5, 2026, a tax is imposed on all tobacco products, other than those
42 subject to tax under subsection 1-A, at the rate of 65% of the cost price.

