

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

Amend the amendment by striking out all of Part G.

Amend the amendment by inserting after Part HH the following:

## PART II

**Sec. II-1. 36 MRSA §4401, sub-§1-B** is enacted to read:

**1-B. Cigar.** "Cigar" means a tobacco product that consists of:

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

B. A roll of tobacco that is wrapped in a substance other than leaf tobacco and that is not defined as a cigarette under section 4361, subsection 1-A or as a little cigar.

**Sec. II-2. 36 MRSA §4401, sub-§§2-A and 2-B** are enacted to read:

**2-A. Little cigar.** "Little cigar" means a roll of tobacco that is wrapped in a reconstituted tobacco sheet or any other substance containing tobacco, other than whole leaf tobacco, that is not a cigarette as defined in section 4361, subsection 1-A and that:

A. Has a typical cigarette size and shape with a cellulose acetate or other cigarette-type integrated filter;

B. Is marketed in a traditional cigarette-type package or a package that bears a product designation or tax classification specified in 27 Code of Federal Regulations, Section 40.214(c) (2011); or

C. Has a filler that consists primarily of flue-cured, burley, oriental or unfermented tobacco or any other material that yields the smoking characteristics of those tobaccos.

**2-B. Loose tobacco.** "Loose tobacco" means any unwrapped tobacco sold or otherwise intended or expected to be smoked, including roll-your-own tobacco and pipe tobacco.

**Sec. II-3. 36 MRSA §4401, sub-§§7-A and 7-B** are enacted to read:

**7-A. Single-unit tobacco product.** "Single-unit tobacco product" means any tobacco product other than cigarettes or cigars that is offered in discrete single-use tablets, lozenges, pouches, pills or other single-dose or single-use units or in packages of such single-use units.

**7-B. Smokeless tobacco.** "Smokeless tobacco" means any finely cut, ground or powdered tobacco or blend containing tobacco that is intended for oral consumption without being combusted and that is not offered or consumed in individual single-dose tablets, lozenges, pills or other discrete single-use or single-dose units.

**Sec. II-4. 36 MRSA §4403, sub-§1**, as repealed and replaced by PL 2009, c. 213, Pt. H, §1 and affected by §3, is repealed.

**Sec. II-5. 36 MRSA §4403, sub-§1-A** is enacted to read:

**1-A. Smokeless tobacco.** Beginning October 1, 2012, a tax is imposed:

A. On amounts of smokeless tobacco packaged for sale to the consumer in a package that contains one ounce or more of smokeless tobacco at the rate of 100 mills per .036 ounces of smokeless tobacco packaged for sale; and

B. On smokeless tobacco packaged for sale to the consumer in a package that contains less than one ounce of smokeless tobacco at the rate of \$2.00 per package.

**Sec. II-6. 36 MRSA §4403, sub-§2**, as amended by PL 2005, c. 627, §8, is repealed.

**Sec. II-7. 36 MRSA §4403, sub-§2-A** is enacted to read:

**2-A. Other tobacco.** Beginning October 1, 2012, a tax is imposed on the following tobacco products at the following rates:

A. On cigars with a retail price of \$2.50 per cigar or more, 70% of the wholesale price;

B. On cigars with a retail price of less than \$2.50 per cigar, \$1.75 per cigar;

C. On loose tobacco, 100 mills per .036 ounces;

D. On little cigars, 100 mills per little cigar; and

E. On single-unit tobacco products, 70% of the wholesale price.

**Sec. II-8. 36 MRSA §4403, sub-§5** is enacted to read:

**5. Equivalence with cigarette tax.** If the tax on cigarettes under chapter 703 is increased, the State Tax Assessor shall calculate a rate of tax on tobacco products under this section that is substantially equivalent to the tax on cigarettes. The assessor shall submit a bill to the Legislature at the earliest opportunity to amend this section to incorporate equivalent rates.

**Sec. II-9. Appropriations and allocations.** The following appropriations and allocations are made.

## **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

### **FHM - Bureau of Health 0953**

Initiative: Restores funding for the Fund for a Healthy Maine FHM - Bureau of Health program, Community School Grant account.

**FUND FOR A HEALTHY MAINE**

**2011-12**

**2012-13**

All Other	\$0	\$2,239,616
FUND FOR A HEALTHY MAINE TOTAL	\$0	\$2,239,616

**FHM - Bureau of Health 0953**

Initiative: Allocates funds for the tobacco help line.

<b>FUND FOR A HEALTHY MAINE</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$100,000
FUND FOR A HEALTHY MAINE TOTAL	\$0	\$100,000

**FHM - Medical Care 0960**

Initiative: Notwithstanding any other provision of law, adjusts funding by increasing funding in the Medical Care - Payments to Providers program and decreasing funding in the FHM - Medical Care program to reflect a redistribution of funding within the Fund for a Healthy Maine.

<b>FUND FOR A HEALTHY MAINE</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	(\$3,936,231)
FUND FOR A HEALTHY MAINE TOTAL	\$0	(\$3,936,231)

**FHM - Purchased Social Services 0961**

Initiative: Restores funding for child care services in the Fund for a Healthy Maine FHM - Purchased Social Services program.

<b>FUND FOR A HEALTHY MAINE</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$1,596,615
FUND FOR A HEALTHY MAINE TOTAL	\$0	\$1,596,615

**Medical Care - Payments to Providers 0147**

Initiative: Restores funding for reimbursement for smoking cessation products.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$430,000

GENERAL FUND TOTAL	\$0	\$430,000
<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$740,705
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$740,705

**Medical Care - Payments to Providers 0147**

Initiative: Notwithstanding any other provision of law, adjusts funding by increasing funding in the Medical Care - Payments to Providers program and decreasing funding in the FHM - Medical Care program to reflect a redistribution of funding within the Fund for a Healthy Maine.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$3,936,231
GENERAL FUND TOTAL	\$0	\$3,936,231

<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)</b>		
<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$4,366,231</b>
<b>FEDERAL EXPENDITURES FUND</b>	<b>\$0</b>	<b>\$740,705</b>
<b>FUND FOR A HEALTHY MAINE</b>	<b>\$0</b>	<b>\$0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$5,106,936</b>

**Sec. II-10. Effective date.** Those sections of this Act that repeal the Maine Revised Statutes, Title 36, section 4403, subsections 1 and 2 and enact Title 36, section 4403, subsections 1-A and 2-A take effect October 1, 2012.'

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment requires that all tobacco products be taxed at rates equivalent to the current tax on cigarettes.

The amendment provides funds for the operation of a help line to provide those tobacco users seeking to quit smoking a mechanism to do so. It also restores funding to the MaineCare tobacco cessation products benefit and provides partial restoration of funds to the Fund for a Healthy Maine FHM - Bureau of Health program, Community School Grant account to support those tobacco users seeking to quit smoking. It also provides partial restoration of funds to child care subsidies.

**FISCAL NOTE REQUIRED**  
**(See attached)**