

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 667

Short Title: Tobacco Tax - Affiliated Dealers.

(Public)

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Sponsors: Senators Garrou; and Brunstetter.

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Referred to: Finance.

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March 12, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW CERTAIN WHOLESALE DEALERS TO REQUEST RELIEF  
3 FROM PAYMENT OF EXCISE TAXES ON OTHER TOBACCO PRODUCTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-113.4 reads as rewritten:

6 "§ 105-113.4. Definitions.

7 The following definitions apply in this Article:

8 (1) Affiliated wholesale dealer. – A wholesale dealer who shares, directly  
9 or indirectly, common ownership with a manufacturer and to whom  
10 the manufacturer sells exclusively the manufacturer's tobacco products  
11 other than cigarettes for distribution to other wholesale dealers in this  
12 State.

13 (1a) Cigar. – A roll of tobacco wrapped in a substance that contains  
14 tobacco, other than a cigarette.

15 (1a)(1b) Cigarette. – Any of the following:

- 16 a. A roll of tobacco wrapped in paper or in a substance that does  
17 not contain tobacco.  
18 b. A roll of tobacco wrapped in a substance that contains tobacco  
19 and that, because of its appearance, the type of tobacco used in  
20 the filler, or its packaging and labeling, is likely to be offered to  
21 or purchased by a consumer as a cigarette described in subpart  
22 a. of this subdivision.

23 ...

24 (6) Manufacturer. – A person who manufactures or produces tobacco  
25 ~~products-products~~ or imports tobacco products into the United States  
26 for resale.

27 ..."

28 SECTION 2. G.S. 105-113.35 is amended by adding a new subsection to  
29 read:

1       "(c1) Manufacturer's Relief. – A manufacturer who ships tobacco products other  
2 than cigarettes to an affiliated wholesale dealer licensed under this Part is relieved of  
3 paying the tax imposed by this section on the tobacco products. To be relieved of  
4 payment of the tax imposed by this section, a manufacturer must comply with the  
5 requirements set by the Secretary."

6               **SECTION 3.** G.S. 105-113.35(d) reads as rewritten:

7       "(d) Manufacturer's Option. – A manufacturer or wholesale dealer who is not a  
8 retail dealer and who ships tobacco products other than cigarettes to either a wholesale  
9 dealer or retail dealer licensed under this Part may apply to the Secretary to be relieved  
10 of paying the tax imposed by this section on the tobacco products. Once granted  
11 permission, a manufacturer or wholesale dealer may choose not to pay the tax until  
12 otherwise notified by the Secretary. To be relieved of payment of the tax imposed by  
13 this section, a manufacturer or wholesale dealer must comply with the requirements set  
14 by the Secretary."

15               **SECTION 4.** This act becomes effective July 1, 2007.