

SB 207-FN-A - AS INTRODUCED

2017 SESSION

17-0876

09/04

SENATE BILL ***207-FN-A***

AN ACT relative to the tax on chewing tobacco.

SPONSORS: Sen. Sanborn, Dist 9; Sen. Bradley, Dist 3; Sen. Gray, Dist 6; Sen. Reagan, Dist 17; Sen. Soucy, Dist 18; Sen. Ward, Dist 8; Rep. Pearl, Merr. 26; Rep. Fromuth, Hills. 7

COMMITTEE: Ways and Means

ANALYSIS

This bill changes the tax on chewing tobacco.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struck through]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT relative to the tax on chewing tobacco.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Tax on Chewing Tobacco. Amend RSA 78:7-c to read as follows:
- 2 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail
- 3 consumer is hereby imposed on tobacco products other than cigarettes at a rate of 65.03 percent of
- 4 the wholesale sales price, ***except that chewing tobacco shall be taxed at a rate of \$1.55 per***
- 5 ***ounce***. The tax under this section may be rounded to the nearest cent if the commissioner
- 6 determines that the amount of tax would not thereby be made materially disproportionate. No such
- 7 tax is imposed on any transactions, the taxation of which by this state is prohibited by the
- 8 Constitution of the United States. No such tax shall be imposed on premium cigars.
- 9 2 Effective Date. This act shall take effect upon its passage.

**SB 207-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the tax on chewing tobacco.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill amends RSA 78:7-c to tax chewing tobacco at a rate of \$1.55 per ounce. Chewing tobacco is currently taxed as other tobacco product at a rate of 65.03% of the wholesale price. The Department of Revenue Administration has no means to determine the impact this bill will have on State general fund and education trust fund revenue as it does not have complete data on existing sales volumes by weight of chewing tobacco in the State. The Department is able to provide that in FY 2016 there was \$10,742,832 in smokeless tobacco, including chewing tobacco, sales resulting in \$6,986,064 in tobacco tax paid. The Department states it would need to update all necessary tax forms and electronic management systems, however the Department can administer this bill without any additional costs.

AGENCIES CONTACTED:

Department of Revenue Administration