

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 82

Session of  
1981

INTRODUCED BY FREIND, JANUARY 19, 1981

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MAY 5, 1981

## AN ACT

1 Amending the act of July 22, 1970 (P.L.513, No.178), entitled  
2 "An act imposing a tax on the sale or possession of  
3 cigarettes and providing penalties," removing an exemption  
4 from taxation; CHANGING THE CIGARETTE STAMPING AGENCIES <—  
5 PERMITTED TO PAY FOR PURCHASES ON A DEFERRED BASIS;  
6 PROHIBITING PERSONS CONVICTED OF FELONIES AND CERTAIN OTHER  
7 CRIMES FROM BEING LICENSED AS CIGARETTE STAMPING AGENTS.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. Subsection (a) of section 204, act of July 22,  
11 1970 (P.L.513, No.178), known as the "Pennsylvania Cigarette Tax  
12 Act," amended July 7, 1978 (P.L.746, No.139), is amended to  
13 read:

14 Section 204. Exemptions from Tax.--(a) No tax imposed by  
15 this act shall be levied upon the possession or sale of  
16 cigarettes which this Commonwealth is prohibited from taxing  
17 under the Constitution or statutes of the United States. In  
18 addition, when the seller and purchaser have registered with the  
19 department and have obtained exemption certificates in

1 accordance with such regulations as the department shall  
2 prescribe, the following sales are exempt:

3 (1) Sales to veterans' organizations approved by the  
4 department, if the cigarettes are being purchased by the  
5 organization for gratuitous issue to veteran patients in  
6 Federal, State or State-aided hospitals;

7 (2) Sales to voluntary unincorporated organizations of  
8 military forces personnel operating under regulations  
9 promulgated by the United States Secretary of Defense or  
10 departments under his jurisdiction;

11 (3) Sales to retail dealers located in Veterans'  
12 Administration hospitals for sales to patients in such  
13 hospitals.

14 [(4) Sales to retail dealers in institutions under the  
15 jurisdiction of the United States Department of Justice for  
16 sales to persons incarcerated in such institutions.]

17 \* \* \*

18 SECTION 2. SUBSECTION (E) OF SECTION 301 OF THE ACT IS  
19 AMENDED TO READ:

20 SECTION 301. STAMP TO EVIDENCE THE TAX.--\* \* \*

21 (E) THE DEPARTMENT SHALL BY REGULATION PERMIT [ONLY] A  
22 [PENNSYLVANIA DOMICILED] CIGARETTE STAMPING AGENCY TO PAY FOR  
23 PURCHASES ON A DEFERRED BASIS, UPON THE FILING OF A SURETY BOND,  
24 OF THE TYPE APPROVED BY THE DEPARTMENT, WITH THE DEPARTMENT, IN  
25 AN AMOUNT DEEMED SUFFICIENT BY THE DEPARTMENT TO PROTECT THE  
26 REVENUE, SAID BOND TO BE EXECUTED BY THE CIGARETTE STAMPING  
27 AGENCY AS PRINCIPAL AND BY A CORPORATE SURETY COMPANY, DULY  
28 AUTHORIZED TO ENGAGE IN SUCH BUSINESS IN THE COMMONWEALTH OF  
29 PENNSYLVANIA, AS SURETY. THE DEPARTMENT SHALL DENY DEFERRED  
30 PURCHASE PLANS TO ANY STAMPING AGENCY IN ANY STATE WHERE SUCH

1 STATE DENIES STAMPING AGENCIES IN PENNSYLVANIA THE RIGHT TO USE  
2 DEFERRED PURCHASE PLANS.

3 SECTION 3. SECTION 402 OF THE ACT IS AMENDED BY ADDING A  
4 SUBSECTION TO READ:

5 SECTION 402. LICENSING OF CIGARETTE STAMPING AGENTS.--\* \* \*

6 (E) FOR PURPOSES OF THIS SECTION, A PERSON CONVICTED OF  
7 COMMITTING ANY FELONY, ANY INFAMOUS CRIME OR ANY CRIME INVOLVING  
8 MORAL TURPITUDE SHALL NOT BE A "PERSON OF GOOD MORAL CHARACTER"  
9 AND SHALL NOT BE LICENSED AS A CIGARETTE STAMPING AGENT.

10 Section ~~2~~ 4. This act shall take effect in 30 days.

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