

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1659 Session of
1981

INTRODUCED BY WILSON, DOMBROWSKI, CORNELL, POTT, McVERRY, LUCYK,
PENDLETON AND BOWSER, JUNE 17, 1981

REFERRED TO COMMITTEE ON FINANCE, JUNE 17, 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," further providing for
4 the transmission of reports and taxes by cigarette stamping
5 agencies and reducing commissions.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Subsection (e) of section 301, act of July 22,
9 1970 (P.L.513, No.178), known as the "Pennsylvania Cigarette Tax
10 Act," is amended and subsections are added to read:

11 Section 301. Stamp to Evidence the Tax.--* * *

12 (e) The department shall [by regulation] permit only a
13 Pennsylvania domiciled cigarette stamping agency to pay for
14 purchases on a deferred basis, upon the filing of a surety bond,
15 of the type approved by the department, with the department, in
16 an amount deemed sufficient by the department to protect the
17 revenue, said bond to be executed by the cigarette stamping
18 agency as principal and by a corporate surety company, duly
19 authorized to engage in such business in the Commonwealth of

1 Pennsylvania, as surety.

2 (f) Except as otherwise provided in this section, for the
3 purpose of ascertaining the amount of tax payable under this
4 act, it shall be the duty of every cigarette stamping agency,
5 purchasing stamps on a deferred basis, on or before the tenth
6 business day of each month, to transmit to the department upon a
7 form prescribed, prepared and furnished by the department, a
8 report, under oath or affirmation, of the cigarette tax stamps
9 used by him or her within this Commonwealth during the preceding
10 month. Such report shall show the number of cigarette tax stamps
11 used by the agency during the period for which it is made and
12 such further information as the department shall prescribe. A
13 cigarette stamping agency having more than one place of business
14 within the Commonwealth shall combine, in each report, the use
15 of cigarette stamps at all such separate places of business.

16 (g) Every cigarette stamping agency, purchasing stamps on a
17 deferred basis, shall, at the time of making every report
18 required by this section, compute and pay to the department the
19 tax due to the Commonwealth on the cigarette stamps used by him
20 or her during the preceding month, less the discount provided
21 for in section 302 of this act, if the report is filed and the
22 tax paid on time.

23 (h) Except as otherwise provided in this section, the amount
24 of all taxes imposed under the provisions of this act for each
25 month shall be due and payable on the tenth business day of the
26 next succeeding month, and shall bear interest at the rate of
27 one per cent per month, or fractional part of a month, from the
28 date they are due and payable until paid. The report or payment
29 of tax as provided by this section, will be considered to have
30 been duly and timely filed if such report or payment is

1 postmarked in the United States mail with postage prepaid in
2 time to reach the department in the ordinary course of such mail
3 on or before the tenth business day of a given calendar month.

4 (i) Whenever any cigarette stamping agency makes sales of
5 stamped cigarettes sufficient to warrant the collection of five
6 thousand dollars (\$5,000) in taxes, it shall be the duty of said
7 distributor to report and pay the tax within five business days
8 of that sale which amounts to five thousand dollars (\$5,000) due
9 and owing. The report or payment of tax as provided by this
10 subsection, will be considered to have been duly and timely
11 filed if such report or payment is postmarked in the United
12 States mail with postage prepaid in time to reach the department
13 in the ordinary course of such mail on or before the fifth
14 business day following the sale. The department shall be
15 empowered to take all necessary and proper steps to enforce and
16 collect the tax provided hereunder, relating to sales warranting
17 collection within five business days.

18 Section 2. Section 302 of the act, amended July 7 1978
19 (P.L.746, No.139), is amended to read:

20 Section 302. Commissions on Sales.--Cigarette stamping
21 agencies shall be entitled to a commission of [three per cent]
22 one quarter of one per cent of the value of all Pennsylvania
23 cigarette tax stamps purchased by them from the department or
24 its authorized agents to be used by them in the stamping of
25 packages of cigarettes for sale within the Commonwealth of
26 Pennsylvania, said commission to be paid to the cigarette
27 stamping agent as compensation for his or her services and
28 expenses as agent in affixing such stamps. Said cigarette
29 stamping agencies shall be entitled to deduct from the moneys to
30 be paid by them for such stamps an amount, equal to [three per

1 cent] one quarter of one per cent of the value of said stamps
2 purchased by them when such cigarette stamping agencies have
3 purchased said Pennsylvania cigarette tax stamps directly from
4 the department or its authorized agents. This paragraph shall
5 not apply to purchases of stamps by a cigarette stamping agency
6 in an amount less than one hundred dollars (\$100).

7 Section 3. This act shall take effect September 1, 1982.