

TOBACCO SETTLEMENT AGREEMENT ACT - DEFINITIONS

Act of Oct. 11, 2023, P.L. 47, No. 9

Cl. 72

Session of 2023

No. 2023-9

HB 1407

AN ACT

Amending the act of June 22, 2000 (P.L.394, No.54), entitled "An act requiring certain tobacco product manufacturers to place certain moneys into an escrow fund; conferring powers and duties upon the Attorney General and the Department of Revenue; and imposing penalties," further providing for definitions.

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

Section 1. The definition of "units sold" in section 3 of the act of June 22, 2000 (P.L.394, No.54), known as the Tobacco Settlement Agreement Act, is amended to read:

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section:

\* \* \*

"Units sold." The number of individual cigarettes sold in this Commonwealth by the applicable tobacco product manufacturer during the year in question[, as measured by taxes collected by the Commonwealth on packs bearing the tax stamp of the Commonwealth required under section 1215 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971; by taxes collected by the Commonwealth on "roll-your-own" tobacco containers which are not required to have a tax stamp under section 1215 of the Tax Reform Code of 1971; and by taxes collected by the Commonwealth on cigarettes sold without a tax stamp, when authorized by the Department of Revenue, under section 1215(h) of the Tax Reform Code of 1971. The Department of Revenue shall promulgate such regulations as are necessary to ascertain the amount of State tax paid on the cigarettes of such tobacco product manufacturer for each year.] **on which the Commonwealth has authority under Federal law to collect State excise tax, notwithstanding whether the State excise taxes were imposed or collected by the Commonwealth. Cigarettes that are exempt from State excise taxes under Federal law are specifically excluded from this definition. The Department of Revenue shall promulgate regulations necessary to ascertain the number of cigarettes sold by the tobacco product manufacturer in this Commonwealth for each year.**

Section 2. The following shall apply:

(1) The Office of Attorney General shall attempt to obtain the consent of the participating manufacturers under the Master Settlement Agreement to the amendment of the definition of "units sold" in section 3 of the act.

(2) If consent is obtained under paragraph (1), the Office of Attorney General shall:

- (i) provide notice to the Secretary of Revenue; and
- (ii) transmit notice of the consent to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

(3) If consent is not obtained under paragraph (1), the Office of Attorney General shall:

(i) notify the Secretary of Revenue; and

(ii) transmit notice of the refusal to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

Section 3. This act shall take effect as follows:

(1) The amendment of the definition of "units sold" in section 3 of the act shall take effect 60 days after publication of the notice of consent under section 2(2)(ii) of this act.

(2) The remainder of this act shall take effect immediately.

APPROVED--The 11th day of October, A.D. 2023.

JOSH SHAPIRO