



# SENATE BILL 461: Eliminate Tobacco Discount

2015-2016 General Assembly

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| <b>Committee:</b>     | Senate Re-ref to Commerce. If fav, re-ref to Finance | <b>Date:</b>        | April 23, 2015    |
| <b>Introduced by:</b> | Sen. Hartsell  | <b>Prepared by:</b> | Heather Fennell   |
| <b>Analysis of:</b>   | First Edition  |                     | Committee Counsel |

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**SUMMARY:** *Senate Bill 461 would repeal the filing discount of 2% for cigarette and other tobacco product taxes.*

**CURRENT LAW:** Under G.S. 105-113.5 cigarettes are taxed at 45¢ per pack. Other tobacco products (OTP), including pipe tobacco and roll-your-own tobacco is taxed under G.S. 105-113.35 at 12.8% of the cost of the product.

G.S. 105-113.21 provides a discount of 2% for distributors that timely file a return for cigarette taxes. This discount covers expenses incurred in preparing the records and reports required by this Part, and the expense of furnishing a bond.

G.S. 105-113.39 provides a discount of 2% for wholesalers that timely file a return for OTP. This discount covers expenses incurred in preparing the records and reports required by this Part and the expense of furnishing a bond.

**BILL ANALYSIS:** Senate Bill 461 would repeal the filing discount of 2% for cigarette and other tobacco product taxes.

**EFFECTIVE DATE:** This act is effective July 1, 2015.

O. Walker Reagan  
Director



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