



2023-2024 General Assembly

SENATE BILL 508: 2023 Budget Technical/Other Corrections, Sec. 11.4: Tobacco Tax Documentation Technical Correction

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|-----------------------|--------------------------|---------------------|-----------------|
| Committee: | | Date: | August 14, 2024 |
| Introduced by: | | Prepared by: | Trina Griffin |
| Analysis of: | Sec. 11.4 of S.L. 2024-1 | | Staff Attorney |

OVERVIEW: Section 11.4 of S.L. 2024-1 makes a technical correction by incorporating into G.S. 105-113.36A(f) the changes made by both Section 3.2(b) of S.L. 2023-12, which was the Revenue Laws Technical, Clarifying, and Administrative Changes Act, and Section 42.18(b) of S.L. 2023-134, which was the 2023 Appropriations Act.

This section becomes effective July 1, 2025, and applies to sales or purchases occurring on or after that date.

CURRENT LAW: In March of 2023, the General Assembly enacted [S.L. 2023-12](#) (Revenue Laws Technical, Clarifying, and Administrative Changes Act). In that act, Section 3.2(b) made changes related to documentation required to be maintained by sellers of tobacco products. Specifically, it clarified the Secretary's authority to use an alternative means to determine the value of items subject to tax when a taxpayer cannot produce documentation as to the cost price of taxable items.

Later that same year in the budget, the General Assembly made additional changes to that same statutory section. Specifically, the method for taxing snuff was changed from a cost-based method to a weight-based method. As such, [Section 42.18\(b\) of S.L. 2023-134](#) further modified the documentation requirement by referencing proof of weight and volume in addition to cost price. However, when this change was made, the prior changes from Section 3.2(b) of S.L. 2023-12 were not reflected in Section 42.18(b) of S.L. 2023-134.

BILL ANALYSIS: Section 11.4 of S.L. 2024-1 makes a technical correction by incorporating into G.S. 105-113.36A(f) the changes made by both Section 3.2(b) of S.L. 2023-12, which was the Revenue Laws Technical, Clarifying, and Administrative Changes Act; and Section 42.18(b) of S.L. 2023-134, which was the 2023 Appropriations Act.

EFFECTIVE DATE: This section becomes effective July 1, 2025, and applies to sales or purchases occurring on or after that date.

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Director



Legislative Analysis
Division
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