

BILL ANALYSIS

Senate Research Center
76R6006 CBH-D

H.B. 3600
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Finance
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Engrossed

DIGEST

Current law allows a person to import one carton of cigarettes into this state from a foreign country without paying any tax. The law subjects any additional cartons to the cigarette tax at the rate of \$0.41 per pack. The state could earn additional revenue if all cigarettes brought into this state from a foreign county were taxed. H.B. 3600 requires a person who imports and personally transports 200 or fewer cigarettes into this state from a foreign country to pay the cigarette tax for each pack of cigarettes.

PURPOSE

As proposed, H.B. 3600 requires a tax on small quantities of cigarettes imported into this state from foreign country.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 154.024(a), Tax Code, to provide that a person who imports and personally transports 200 or fewer cigarettes into this state from another state is not required to pay the tax imposed by this chapter if the person uses the cigarettes and does not sell them or offer them for sale. Requires a person who imports and personally transports 200 or few cigarettes into this state from a foreign county to pay the tax imposed by this chapter and have affixed on each individual package of cigarettes a stamp to show payment of the tax.

SECTION 2. Amends Section 154.511, Tax Code, as follows:

Sec. 154.511. TRANSPORTATION OF CIGARETTES. Provides that a person, other than a common carrier, commits an offense if the person knowingly transports cigarettes without a stamp affixed to each individual package, except as provided by Section 154.024(a).

SECTION 3. Effective date: September 1, 1999.

Makes application of this Act prospective.

SECTION 4. Emergency clause.