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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
NINETIETH SESSION

**H. F. No. 2314**

03/09/2017 Authored by Davids  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; tobacco; modifying the tax structure for moist snuff; amending  
1.3 Minnesota Statutes 2016, section 297F.05, subdivision 3.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2016, section 297F.05, subdivision 3, is amended to read:

1.6 Subd. 3. **Rates; tobacco products.** (a) Except as provided in paragraphs (b) and (c) and  
1.7 subdivision 3a, a tax is imposed upon all tobacco products in this state and upon any person  
1.8 engaged in business as a distributor, at the rate of 95 percent of the wholesale sales price  
1.9 of the tobacco products. The tax is imposed at the time the distributor:

1.10 (1) brings, or causes to be brought, into this state from outside the state tobacco products  
1.11 for sale;

1.12 (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state;  
1.13 or

1.14 (3) ships or transports tobacco products to retailers in this state, to be sold by those  
1.15 retailers.

1.16 ~~(b) Notwithstanding paragraph (a),~~ A ~~minimum~~ tax equal to the greater of the tax imposed  
1.17 under paragraph (a) or a minimum tax equal to the rate imposed on a pack of 20 cigarettes  
1.18 weighing not more than three pounds per thousand, as established under subdivision 1, is  
1.19 imposed on each container of moist snuff weighing not more than 1.2 ounces. When more  
1.20 than one container subject to tax under this paragraph is packaged together, each container  
1.21 is subject to the minimum tax.

2.1 (c) Except as provided in paragraph (b), a tax equal to the greater of the tax imposed  
2.2 under paragraph (a) or a minimum tax equal to the rate imposed on a pack of 20 cigarettes  
2.3 weighing not more than three pounds per thousand, as established under subdivision 1,  
2.4 multiplied by the number of ounces of moist snuff in the container, divided by 1.2, is imposed  
2.5 on each container of moist snuff weighing more than 1.2 ounces.

2.6 (d) For purposes of this subdivision, a "container" means the smallest a consumer-size  
2.7 can, package, or other container that is marketed or packaged by the manufacturer, distributor,  
2.8 or retailer for separate sale to a retail purchaser. When more than one container is packaged  
2.9 together, each container is subject to tax.

2.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.