

1.1 A bill for an act

1.2 relating to taxation; limiting the tax on cigars; amending Minnesota Statutes  
1.3 2008, section 297F.05, subdivision 3.

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

1.5 Section 1. Minnesota Statutes 2008, section 297F.05, subdivision 3, is amended to read:

1.6 Subd. 3. **Rates; tobacco products.** (a) Subject to paragraph (b), a tax is imposed  
1.7 upon all tobacco products in this state and upon any person engaged in business as a  
1.8 distributor, at the rate of 35 percent of the wholesale sales price of the tobacco products.

1.9 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  
1.11 products for sale;

1.12 (2) makes, manufactures, or fabricates tobacco products in this state for sale in  
1.13 this state; 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) The taxes imposed under this subdivision and subdivision 4 may not exceed  
1.17 25 cents per cigar.

1.18 **EFFECTIVE DATE.** This section is effective July 1, 2009.