

State of Minnesota

H. F. No. 2679

The bill was read for the first time and referred to the Committee on Taxes

1.2 relating to taxation; tobacco; increasing the tax rate on premium cigars; amending
1.3 Minnesota Statutes 2018, sections 297F.01, subdivision 13a; 297F.05, subdivisions
1.4 3a, 4a.

- 2.1 (2) makes, manufactures, or fabricates premium cigars in this state for sale in this state;
2.2 or
2.3 (3) ships or transports premium cigars to retailers in this state, to be sold by those retailers.

2.4 **EFFECTIVE DATE.** This section is effective for cigars brought into this state or
2.5 manufactured in the state on or after July 1, 2019.

2.6 Sec. 3. Minnesota Statutes 2018, section 297F.05, subdivision 4a, is amended to read:

2.7 Subd. 4a. **Use tax; premium cigars.** A tax is imposed upon the use or storage by
2.8 consumers of all premium cigars in this state, and upon such consumers, at the lesser of:

2.9 (1) the rate of 95 percent of the cost to the consumer of the premium cigars; or

2.10 (2) ~~\$0.50~~ \$3.50 per premium cigar.

2.11 **EFFECTIVE DATE.** This section is effective for cigars brought into this state or
2.12 manufactured in the state on or after July 1, 2019.