

SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION

S.F. No. 1894

(SENATE AUTHORS: SENJEM, Tomassoni and Bakk)

DATE	D-PG	OFFICIAL STATUS
03/19/2015	1048	Introduction and first reading Referred to Taxes

1.1

A bill for an act

1.2

relating to taxation; tobacco; modifying the definition of premium cigar;

1.3

reducing the maximum tax on premium cigars; amending Minnesota Statutes

1.4

2014, sections 297F.01, subdivision 13a; 297F.05, subdivisions 3a, 4a.

1.5

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

1.6

Section 1. Minnesota Statutes 2014, section 297F.01, subdivision 13a, is amended to

1.7

read:

1.8

Subd. 13a. **Premium cigar.** "Premium cigar" means any cigar that is

1.9

hand-constructed ~~and hand-rolled~~, has a wrapper that is made entirely from whole tobacco

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leaf, has a filler and binder that is made entirely of tobacco, except for adhesives or other

1.11

materials used to maintain size, texture, or flavor, and has a wholesale price of no less

1.12

than \$2.

1.13

**EFFECTIVE DATE.** This section is effective July 1, 2015.

1.14

Sec. 2. Minnesota Statutes 2014, section 297F.05, subdivision 3a, is amended to read:

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Subd. 3a. **Rates; tobacco.** (a) A tax is imposed upon all premium cigars in this state

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and upon any person engaged in business as a tobacco product distributor, at the lesser of:

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(1) the rate of 95 percent of the wholesale sales price of the premium cigars; or

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

1.19

(b) The tax imposed under paragraph (a) is imposed at the time the tobacco products

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distributor:

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(1) brings, or causes to be brought, into this state from outside the state premium

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cigars for sale;

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

2.5 **EFFECTIVE DATE.** This section is effective July 1, 2015.

2.6 Sec. 3. Minnesota Statutes 2014, 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) ~~\$3.50~~ \$0.50 per premium cigar.

2.11 **EFFECTIVE DATE.** This section is effective July 1, 2015.