

Date: (Filing No. H- )

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT " " to COMMITTEE AMENDMENT "A" to H.P. 1491, L.D. 2212, "An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027"

Amend the amendment by inserting after Part HHHH the following:

'PART III

Sec. III-1. 36 MRSA §4365, first ¶, as amended by PL 2025, c. 388, Pt. E, §1 and affected by §6, is further amended to read:

Before January 5, 2026, a tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 100 mills for each cigarette. Beginning January 5, 2026, a tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 175 mills for each cigarette. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. III-2. 36 MRSA §4365-F, as amended by PL 2025, c. 367, §§16 and 17 and affected by §20 and repealed by c. 388, Pt. E, §2 and affected by §6, is repealed and the following enacted in its place:

§4365-F. Application of cigarette tax rate increase effective September 19, 2005

The following provisions apply to cigarettes held for resale on September 19, 2005.

1. Stamped rate. Cigarettes stamped at the rate of 50 mills per cigarette and held for resale after September 18, 2005 are subject to tax at the rate of 100 mills per cigarette.

2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 100 mills per cigarette and the tax rate of 50 mills per cigarette in effect before September 19, 2005. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of September 19, 2005, except that cigarettes held in vending machines as of that date do not require that stamp.

3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on September 19, 2005

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1 and that the tax imposed by this section must be reported on that basis. A credit against  
2 this inventory tax must be allowed for cigarettes stamped at the rate of 100 mills per  
3 cigarette placed in vending machines before September 19, 2005.

4 **4. Payment.** Payment of the tax imposed by this section must be made to the assessor  
5 by December 19, 2005, accompanied by forms prescribed by the assessor.

6 **Sec. III-3. 36 MRSA §4365-G**, as enacted by PL 2025, c. 388, Pt. E, §3 and  
7 affected by §6, is repealed.

8 **Sec. III-4. 36 MRSA §4403**, as amended by PL 2025, c. 388, Pt. E, §5 and affected  
9 by §6, is further amended to read:

10 **§4403. Tax on tobacco products**

11 **1. Smokeless tobacco before January 5, 2026.** ~~Before January 5, 2026, a~~ A tax is  
12 imposed on smokeless tobacco, including chewing tobacco and snuff, at the rate of:

13 A. On amounts of smokeless tobacco packaged for sale to the consumer in a package  
14 that contains one ounce or more of smokeless tobacco, \$2.02 per ounce and prorated;  
15 and

16 B. On smokeless tobacco packaged for sale to the consumer in a package that contains  
17 less than one ounce of smokeless tobacco, \$2.02 per package.

18 Beginning January 2, 2020, the tax rates in this subsection are subject to adjustment  
19 pursuant to subsection 5.

20 ~~**1-A. Smokeless tobacco on or after January 5, 2026.** Beginning January 5, 2026, a~~  
21 ~~tax is imposed on smokeless tobacco, including chewing tobacco and snuff, at the rate of:~~

22 ~~A. On amounts of smokeless tobacco packaged for sale to the consumer in a package~~  
23 ~~that contains one ounce or more of smokeless tobacco, \$3.54 per ounce and prorated;~~  
24 ~~and~~

25 ~~B. On smokeless tobacco packaged for sale to the consumer in a package that contains~~  
26 ~~less than one ounce of smokeless tobacco, \$3.54 per package.~~

27 ~~The tax rates in this subsection are subject to adjustment pursuant to subsection 5.~~

28 **2. Other tobacco.** Beginning January 2, 2020, ~~and before January 1, 2024,~~ a tax is  
29 imposed on all tobacco products, other than those subject to tax under subsection 1, at the  
30 rate of 43% of the wholesale sales price. Beginning January 1, 2024, ~~and before January~~  
31 ~~5, 2026,~~ a tax is imposed on all tobacco products, other than those subject to tax under  
32 subsection 1, at the rate of 43% of the cost price. ~~Beginning January 5, 2026, a tax is~~  
33 ~~imposed on all tobacco products, other than those subject to tax under subsection 1-A, at~~  
34 ~~the rate of 75% of the cost price.~~ Beginning January 2, 2020, the tax rate imposed pursuant  
35 to this subsection is subject to adjustment pursuant to subsection 5.

36 **3. Imposition.** The tax is imposed at the time the distributor or remote retail seller  
37 brings or causes to be brought into this State tobacco products that are for sale or for use or  
38 at the time tobacco products are manufactured or fabricated in this State for sale in this  
39 State.

40 **5. Equivalence.** If the tax on cigarettes under chapter 703 is increased after January  
41 ~~5 2, 2026~~ 2020, the assessor shall calculate a rate of tax on other tobacco products under

1 subsections 1, ~~1-A~~ and 2 that is equivalent to the same percentage change in the tax rate for  
2 one cigarette. The adjusted rates calculated by the assessor take effect at the same time as  
3 the increase in the tax on cigarettes.

4 A tobacco product may be taxed only once by the State in accordance with this section.'

5 Amend the amendment by relettering or renumbering any nonconsecutive Part letter or  
6 section number to read consecutively.

7 **SUMMARY**

8 This Part repeals the changes made to the cigarette tax and the tobacco products tax by  
9 Public Law 2025, chapter 388.

10 **SPONSORED BY:** \_\_\_\_\_

11 **(Representative FAULKINGHAM, B.)**

12 **TOWN: Winter Harbor**