GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2003

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SENATE BILL 1267*

Short Title:	Increase Cigarette Excise Tax to 75 Cents.	(Public)
Sponsors:	Senators Kinnaird; Clodfelter, Lucas, and Reeves.	
Referred to:	Finance.	

May 24, 2004

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE EXCISE TAX ON CIGARETTES AS RECOMMENDED BY THE LEGISLATIVE STUDY COMMISSION ON CHILDREN AND YOUTH AND TO MAKE OTHER TECHNICAL CORRECTIONS.

Whereas, tobacco use continues to be a major health concern among youth in this State; and

Whereas, according to the Centers for Disease Control and Prevention, raising the price of a pack of cigarettes, through a tax, is the most effective way to prevent youth from smoking; and

Whereas, North Carolina's cigarette tax is the second lowest in the nation; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-113.5 reads as rewritten:

"**§ 105-113.5. Tax on cigarettes.**

A tax is levied on the sale or possession for sale in this State, by a distributor, of all cigarettes at the rate of ~~two and one-half mills~~ three and three-quarter cents (3.75¢) per individual cigarette.

~~This tax does not apply to any of the following:~~

~~(1) Sample cigarettes distributed without charge in packages containing five or fewer cigarettes.~~

~~(2) Cigarettes in a package of cigarettes given without charge by the manufacturer of the cigarettes to an employee of the manufacturer who works in a factory where cigarettes are made, if the cigarettes are not taxed by the federal government.~~"

SECTION 2. This act becomes effective July 1, 2004.