

technical changes; and generally relating to the tobacco tax and the purchase of tobacco tax stamps.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 12-303(b) and 13-825(h)

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

12-303.

(b) The Comptroller shall allow a licensed wholesaler a discount of ~~1.31%~~ 0.82% ~~1.1%~~ of the purchase price of tax stamps.

13-825.

(h) ~~[(1)]~~ The Comptroller may require a person subject to the tobacco tax to post security for the tax in the following amounts:

~~[(i)]~~ (1) for a manufacturer or wholesaler:

~~[1.]~~ (I) \$10,000, plus

~~[2.]~~ (II) the amount, if any, by which the tobacco tax due for any 1 month exceeds \$10,000.

~~[(ii)]~~ (2) for a subwholesaler or vending machine operator:

~~[1.]~~ (I) \$1,000, plus

~~[2.]~~ (II) the amount, if any, by which the tobacco tax due for any 1 month exceeds \$1,000.

~~[(2)]~~ Except as provided in paragraph (5) of this subsection, the Comptroller may exempt a person from posting security for the tobacco tax if the person is and has been for the past 5 years:

(i) licensed as required under § 16-202 of the Business Regulation Article to act as a wholesaler; and

(ii) 1. in continuous compliance with the tobacco tax laws, as determined under paragraph (3) of this subsection; and

2. in continuous compliance with the conditions of the person's security posted under this subsection.

(3) For purposes of paragraph (2) of this subsection, a person is in continuous compliance with the tobacco tax laws for a period if the person has not, at any time during that period: