

# STATE OF NEW YORK

468

2019-2020 Regular Sessions

## IN SENATE

(Prefiled)

January 9, 2019

Introduced by Sen. RIVERA -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law and the tax law, in relation to amending certain definitions relating to tobacco products; and to amend the public health law and the tax law, in relation to changing the minimum pack sizes for tobacco products and the tax amount for tobacco products

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 5 of section 1399-aa of the public health law,  
2 as amended by chapter 152 of the laws of 2004, is amended and a new  
3 subdivision 14 is added to read as follows:

4 5. "Tobacco products" means one or more cigarettes or cigars, bidis,  
5 chewing tobacco, loose tobacco, single-unit tobacco, powdered tobacco,  
6 nicotine water or any other tobacco products and also includes any other  
7 product containing tobacco or nicotine that is intended or expected to  
8 be consumed except for any such product that has been approved by the  
9 U.S. Food and Drug Administration for sale as a tobacco use cessation  
10 product or for other medical purposes and is being marketed and sold  
11 solely for that approved purpose.

12 14. "Cigarette" means any roll for smoking made wholly or in part of  
13 tobacco or of any other substance, irrespective of size, shape, appear-  
14 ance, packaging, pricing, marketing or labeling and whether or not such  
15 tobacco or substance is flavored, adulterated or mixed with any other  
16 ingredient, the wrapper or cover of which is made of paper or any other  
17 substance or material but is not made in whole or in part of tobacco  
18 that is likely to be offered to, purchased by, or consumed by consumers  
19 as a cigarette, as defined above, including any roll for smoking  
20 containing tobacco wrapped in a substance containing tobacco that weighs

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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no more than four and a half pounds per thousand unless it is wrapped in whole tobacco leaf and does not have an internal filter.

§ 2. Subdivisions 1, 2 and 2-a of section 470 of the tax law, subdivision 1 as amended by section 14 and subdivision 2 as amended by section 15 of part D of chapter 134 of the laws of 2010 and subdivision 2-a as added by chapter 552 of the laws of 2008, are amended and two new subdivisions 2-c and 2-d are added to read as follows:

1. "Cigarette." Any roll for smoking made wholly or in part of tobacco or of any other substance, irrespective of size ~~[or]~~, shape, appearance, packaging, pricing, marketing or labeling and whether or not such tobacco or substance is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material but is not made in whole or in part of tobacco that is likely to be offered to, purchased by, or consumed by consumers as a cigarette, as defined above, including any roll for smoking containing tobacco wrapped in a substance containing tobacco that weighs no more than four and a half pounds per thousand unless it is wrapped in whole tobacco leaf and does not have an internal filter.

2. "Tobacco products." Any cigar, including a little cigar, or tobacco, other than cigarettes, ~~[intended for consumption by smoking, chewing, or as snuff]~~ and also includes any other product containing tobacco or nicotine that is intended or expected to be consumed except for any such product that has been approved by the U.S. Food and Drug Administration for sale as a tobacco use cessation product or for other medical purposes and is being marketed and sold solely for that approved purpose.

2-a. "~~Roll-your-own~~ Loose tobacco." Any tobacco product that, because of its appearance, type, packaging or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. Loose tobacco shall also include pipe tobacco, roll-your-own tobacco and any other loose tobacco used for smoking.

2-c. "Single-unit tobacco products." Any tobacco product, including finely cut, ground or powdered loose tobacco or blend containing tobacco intended for oral consumption without being combusted, other than cigarettes or cigars, that is offered in discrete single-use tablets, lozenges, pouches, pills, or other single-dose or single-use units, or in packages of such single-use units.

2-d. "Moist snuff." Finely cut, ground or powdered loose tobacco or blend containing tobacco intended for oral consumption without being combusted that is not a single-unit tobacco product.

§ 3. Subdivision 2 of section 1399-gg of the public health law, as added by chapter 513 of the laws of 2004, is amended to read as follows:

2. No person engaged in the business of manufacturing, selling or otherwise distributing tobacco products, herbal cigarettes, cigarette wrapping papers, wrapping leaves or tubes, or any agent or employee of such person, shall manufacture or cause to be manufactured for sale in this state, or sell or distribute in this state: (a) any package or other container of cigarettes containing fewer than twenty cigarettes; (b) any package of ~~roll-your-own~~ loose tobacco containing less than ~~[six-tenths]~~ sixty-five hundredths of an ounce of tobacco; ~~[or]~~ (c) any package of cigars containing fewer than five cigars; (d) any package of single-unit tobacco, as defined in subdivision two-c of section four hundred seventy of the tax law, containing fewer than twenty pieces of single-use units; (e) any package of moist snuff containing less than an ounce of tobacco; or (f) any package or other container of cigarette wrapping papers, wrapping leaves or tubes, that are or are held out to

1 be suitable for use or used as devices to wrap tobacco for smoking,  
2 containing fewer than twenty sheets, leaves or tubes.

3 § 4. Subdivision 1 of section 471-b of the tax law, as amended by  
4 section 2 of part QQ-1 of chapter 57 of the laws of 2008, paragraphs (a)  
5 and (b) as amended by section 18 and paragraph (c) as added by section  
6 19 of part D of chapter 134 of the laws of 2010, is amended to read as  
7 follows:

8 1. There is hereby imposed and shall be paid a tax on all tobacco  
9 products possessed in this state by any person for sale, except that no  
10 tax shall be imposed on tobacco products sold under such circumstances  
11 that this state is without power to impose such tax, or sold to the  
12 United States, or sold to or by a voluntary unincorporated organization  
13 of the armed forces of the United States operating a place for the sale  
14 of goods pursuant to regulations promulgated by the appropriate execu-  
15 tive agency of the United States, to the extent provided in such regu-  
16 lations and policy statements of such an agency applicable to such  
17 sales.

18 (a) Such tax on tobacco products [~~other than snuff and little cigars~~]  
19 shall be at the rate of [~~seventy-five~~] ninety-five percent of the whole-  
20 sale price or the minimum rates as indicated in paragraph (b), (c), (d),  
21 (e) or (f) of this subdivision, whichever is higher, and is intended to  
22 be imposed only once upon the sale of any tobacco products [~~other than~~  
23 ~~snuff and little cigars~~].

24 (b) Such minimum tax on moist snuff shall be at the rate of [~~two~~]  
25 three dollars and sixty-three cents per ounce and a proportionate rate  
26 on any fractional parts of an ounce[, ~~provided that cans or packages of~~  
27 ~~snuff with a net weight of less than one ounce shall be taxed at the~~  
28 ~~equivalent rate of cans or packages weighing one ounce~~]. Such tax shall  
29 be computed based on the net weight as listed by the manufacturer, and  
30 is intended to be imposed only once upon the sale of any moist snuff.

31 (c) Such tax on little cigars shall be at the same rate imposed on  
32 cigarettes under this article and is intended to be imposed only once  
33 upon the sale of any little cigars.

34 (d) Such minimum tax on single-unit tobacco products shall be at the  
35 same rate imposed on cigarettes under this article and is intended to be  
36 imposed only once upon the sale of any single-dose or single-unit tobac-  
37 co products.

38 (e) Such minimum tax on any loose tobacco meant for smoking shall be  
39 equal to the amount of the total tax on a pack of twenty cigarettes  
40 under this article per 0.65 ounces with a proportionate tax on any other  
41 weights, based on the net weight determined by the manufacturer. Such  
42 tax is intended to be imposed only once upon the sale of any loose  
43 tobacco.

44 (f) Such minimum tax on cigars, other than little cigars, shall be  
45 equal to the amount of the total tax on a pack of twenty cigarettes  
46 under this article with a proportionate tax on packages with fewer than  
47 five cigars and is intended to be imposed only once upon the sale of any  
48 cigars.

49 It shall be presumed that all tobacco products within the state are  
50 subject to tax until the contrary is established, and the burden of  
51 proof that any tobacco products are not taxable hereunder shall be upon  
52 the person in possession thereof.

53 § 5. This act shall take effect immediately.