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SENATE BILL 6745

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State of Washington

54th Legislature

1996 Regular Session

By Senators Loveland, Newhouse, Prentice, Roach, Sheldon, Swecker, Sellar, Winsley, McAuliffe, Finkbeiner, Bauer, Schow, Rasmussen, Wood, Goings, Morton, Heavey, Strannigan, A. Anderson and Zarelli

Read first time 01/30/96. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to limiting cigarettes and other tobacco products  
2 taxes; and amending RCW 82.24.020 and 82.26.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 82.24.020 and 1994 space c 7 s 904 (Referendum Bill  
5 No. 43) are each amended to read as follows:

6 (1) There is levied and there shall be collected as provided in  
7 this chapter, a tax upon the sale, use, consumption, handling,  
8 possession or distribution of all cigarettes, in an amount equal to the  
9 rate of eleven and one-half mills per cigarette.

10 (2) An additional tax is imposed upon the sale, use, consumption,  
11 handling, possession, or distribution of all cigarettes, in an amount  
12 equal to the rate of five and one-fourth mills per cigarette. All  
13 revenues collected during any month from this additional tax shall be  
14 deposited in the violence reduction and drug enforcement account under  
15 RCW 69.50.520 by the twenty-fifth day of the following month.

16 (3) An additional tax is imposed upon the sale, use, consumption,  
17 handling, possession, or distribution of all cigarettes, in an amount  
18 equal to the rate of ten mills per cigarette through June 30, 1994,  
19 eleven and one-fourth mills per cigarette for the period July 1, 1994,

1 through June 30, 1995, and seventeen and one-half mills per cigarette  
2 thereafter. However, any time the basic health plan enrollment under  
3 chapter 70.47 RCW reaches or exceeds one hundred seventy thousand adult  
4 subsidized basic health plan enrollees and sustains that level for  
5 three months, the amount of the tax shall equal twenty mills per  
6 cigarette ((for the period July 1, 1995, through June 30, 1996, and  
7 twenty and one-half mills per cigarette thereafter)), and any time the  
8 basic health plan enrollment under chapter 70.47 RCW drops below one  
9 hundred seventy thousand adult subsidized basic health plan enrollees  
10 and sustains that level for three months, the amount of the tax shall  
11 equal seventeen and one-half mills per cigarette. All revenues  
12 collected during any month from this additional tax shall be deposited  
13 in the health services account created under RCW 43.72.900 by the  
14 twenty-fifth day of the following month.

15 (4) Wholesalers and retailers subject to the payment of this tax  
16 may, if they wish, absorb one-half mill per cigarette of the tax and  
17 not pass it on to purchasers without being in violation of this section  
18 or any other act relating to the sale or taxation of cigarettes.

19 (5) For purposes of this chapter, "possession" shall mean both (a)  
20 physical possession by the purchaser and, (b) when cigarettes are being  
21 transported to or held for the purchaser or his or her designee by a  
22 person other than the purchaser, constructive possession by the  
23 purchaser or his or her designee, which constructive possession shall  
24 be deemed to occur at the location of the cigarettes being so  
25 transported or held.

26 **Sec. 2.** RCW 82.26.020 and 1993 c 492 s 309 are each amended to  
27 read as follows:

28 (1) There is levied and there shall be collected a tax upon the  
29 sale, use, consumption, handling, or distribution of all tobacco  
30 products in this state at the rate of forty-five percent of the  
31 wholesale sales price of such tobacco products.

32 (2) Taxes under this section shall be imposed at the time the  
33 distributor (a) brings, or causes to be brought, into this state from  
34 without the state tobacco products for sale, (b) makes, manufactures,  
35 or fabricates tobacco products in this state for sale in this state, or  
36 (c) ships or transports tobacco products to retailers in this state, to  
37 be sold by those retailers.

1 (3) An additional tax is imposed equal to seven percent multiplied  
2 by the tax payable under subsection (1) of this section.

3 (4) An additional tax is imposed equal to eight percent of the  
4 wholesale sales price of tobacco products. However, any time the basic  
5 health plan enrollment under chapter 70.47 RCW reaches or exceeds one  
6 hundred seventy thousand adult subsidized basic health plan enrollees  
7 and sustains that level for three months, the amount of the tax shall  
8 equal ten percent of the wholesale sales price of tobacco products, and  
9 any time the basic health plan enrollment under chapter 70.47 RCW drops  
10 below one hundred seventy thousand adult subsidized basic health plan  
11 enrollees and sustains that level for three months, the amount of the  
12 tax shall equal eight percent of the wholesale sales price of tobacco  
13 products. The moneys collected under this subsection shall be  
14 deposited in the health services account created under RCW 43.72.900.

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