
SENATE BILL 6951

State of Washington

60th Legislature

2008 Regular Session

By Senators Prentice and Oemig

Read first time 02/21/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing for and enforcing the taxation of
2 moist snuff; amending RCW 82.26.010, 82.26.190, 82.26.030, 82.26.230,
3 and 82.04.601; adding new sections to chapter 82.26 RCW; and providing
4 an effective date.

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

6 **Sec. 1.** RCW 82.26.010 and 2005 c 180 s 2 are each amended to read
7 as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Tobacco products" means cigars, cheroots, stogies, periques,
11 granulated, plug cut, crimp cut, ready rubbed, and other smoking
12 tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-
13 cut and other chewing tobaccos, shorts, refuse scraps, clippings,
14 cuttings and sweepings of tobacco, and other kinds and forms of
15 tobacco, prepared in such manner as to be suitable for chewing or
16 smoking in a pipe or otherwise, or both for chewing and smoking, but
17 shall not include cigarettes as defined in RCW 82.24.010.

18 (2) "Manufacturer" means a person who manufactures and sells
19 tobacco products.

1 (3) "Distributor" means (a) any person engaged in the business of
2 selling tobacco products in this state who brings, or causes to be
3 brought, into this state from without the state any tobacco products
4 for sale, (b) any person who makes, manufactures, fabricates, or stores
5 tobacco products in this state for sale in this state, (c) any person
6 engaged in the business of selling tobacco products without this state
7 who ships or transports tobacco products to retailers in this state, to
8 be sold by those retailers, (d) any person engaged in the business of
9 selling tobacco products in this state who handles for sale any tobacco
10 products that are within this state but upon which tax has not been
11 imposed.

12 (4) "Retailer" means any person engaged in the business of selling
13 tobacco products to ultimate consumers.

14 (5)(a) "Sale" means any transfer, exchange, or barter, in any
15 manner or by any means whatsoever, for a consideration, and includes
16 and means all sales made by any person.

17 (b) The term "sale" includes a gift by a person engaged in the
18 business of selling tobacco products, for advertising, promoting, or as
19 a means of evading the provisions of this chapter.

20 (6) "Business" means any trade, occupation, activity, or enterprise
21 engaged in for the purpose of selling or distributing tobacco products
22 in this state.

23 (7) "Place of business" means any place where tobacco products are
24 sold or where tobacco products are manufactured, stored, or kept for
25 the purpose of sale, including any vessel, vehicle, airplane, train, or
26 vending machine.

27 (8) "Retail outlet" means each place of business from which tobacco
28 products are sold to consumers.

29 (9) "Department" means the department of revenue.

30 (10) "Person" means any individual, receiver, administrator,
31 executor, assignee, trustee in bankruptcy, trust, estate, firm,
32 copartnership, joint venture, club, company, joint stock company,
33 business trust, municipal corporation, the state and its departments
34 and institutions, political subdivision of the state of Washington,
35 corporation, limited liability company, association, society, any group
36 of individuals acting as a unit, whether mutual, cooperative,
37 fraternal, nonprofit, or otherwise. The term excludes any person

1 immune from state taxation, including the United States or its
2 instrumentalities, and federally recognized Indian tribes and enrolled
3 tribal members, conducting business within Indian country.

4 (11) "Indian country" means the same as defined in chapter 82.24
5 RCW.

6 (12) "Actual price" means the total amount of consideration for
7 which tobacco products are sold, valued in money, whether received in
8 money or otherwise, including any charges by the seller necessary to
9 complete the sale such as charges for delivery, freight,
10 transportation, or handling.

11 (13) "Affiliated" means related in any way by virtue of any form or
12 amount of common ownership, control, operation, or management.

13 (14) "Board" means the liquor control board.

14 (15) "Cigar" means a roll for smoking that is of any size or shape
15 and that is made wholly or in part of tobacco, irrespective of whether
16 the tobacco is pure or flavored, adulterated or mixed with any other
17 ingredient, if the roll has a wrapper made wholly or in greater part of
18 tobacco. "Cigar" does not include a cigarette.

19 (16) "Cigarette" has the same meaning as in RCW 82.24.010.

20 (17) "Manufacturer's representative" means a person hired by a
21 manufacturer to sell or distribute the manufacturer's tobacco products,
22 and includes employees and independent contractors.

23 (18)(a) "Taxable sales price" means:

24 (i) In the case of a taxpayer that is not affiliated with the
25 manufacturer, distributor, or other person from whom the taxpayer
26 purchased tobacco products, the actual price for which the taxpayer
27 purchased the tobacco products;

28 (ii) In the case of a taxpayer that purchases tobacco products from
29 an affiliated manufacturer, affiliated distributor, or other affiliated
30 person, and that sells those tobacco products to unaffiliated
31 distributors, unaffiliated retailers, or ultimate consumers, the actual
32 price for which that taxpayer sells those tobacco products to
33 unaffiliated distributors, unaffiliated retailers, or ultimate
34 consumers;

35 (iii) In the case of a taxpayer that sells tobacco products only to
36 affiliated distributors or affiliated retailers, the price, determined
37 as nearly as possible according to the actual price, that other

1 distributors sell similar tobacco products of like quality and
2 character to unaffiliated distributors, unaffiliated retailers, or
3 ultimate consumers;

4 (iv) In the case of a taxpayer that is a manufacturer selling
5 tobacco products directly to ultimate consumers, the actual price for
6 which the taxpayer sells those tobacco products to ultimate consumers;

7 (v) In the case of a taxpayer that has acquired tobacco products
8 under a sale as defined in subsection (5)(b) of this section, the
9 price, determined as nearly as possible according to the actual price,
10 that the taxpayer or other distributors sell the same tobacco products
11 or similar tobacco products of like quality and character to
12 unaffiliated distributors, unaffiliated retailers, or ultimate
13 consumers; or

14 (vi) In any case where (a)(i) through (v) of this subsection do not
15 apply, the price, determined as nearly as possible according to the
16 actual price, that the taxpayer or other distributors sell the same
17 tobacco products or similar tobacco products of like quality and
18 character to unaffiliated distributors, unaffiliated retailers, or
19 ultimate consumers.

20 (b) For purposes of (a)(i) and (ii) of this subsection only,
21 "person" includes both persons as defined in subsection (10) of this
22 section and any person immune from state taxation, including the United
23 States or its instrumentalities, and federally recognized Indian tribes
24 and enrolled tribal members, conducting business within Indian country.

25 (c) The department may adopt rules regarding the determination of
26 taxable sales price under this subsection.

27 (19) "Taxpayer" means a person liable for the tax imposed by this
28 chapter.

29 (20) "Unaffiliated distributor" means a distributor that is not
30 affiliated with the manufacturer, distributor, or other person from
31 whom the distributor has purchased tobacco products.

32 (21) "Unaffiliated retailer" means a retailer that is not
33 affiliated with the manufacturer, distributor, or other person from
34 whom the retailer has purchased tobacco products.

35 (22) "Moist snuff" means any finely cut, ground, or powdered
36 tobacco that is not intended to be smoked but does not include any
37 finely cut, ground, or powdered tobacco that is intended to be placed
38 in the nasal cavity.

1 (23) "Unstamped moist snuff" means any container of moist snuff in
2 respect to which the tax imposed under section 2 of this act applies
3 but that does not contain a stamp or other department-approved indicia
4 of payment of the tax.

5 (24) "Container" means a single unit of moist snuff, including a
6 can or package.

7 **NEW SECTION.** **Sec. 2.** A new section is added to chapter 82.26 RCW
8 to read as follows:

9 (1) In addition to the tax imposed in RCW 82.26.020, a tax is
10 imposed on the sale, handling, or distribution of moist snuff in an
11 amount equal to fifty cents per container.

12 (2) Taxes under this section are imposed at the time the
13 distributor:

14 (a) Brings, or causes to be brought, into this state from without
15 the state moist snuff for sale;

16 (b) Makes, manufactures, fabricates, or stores moist snuff in this
17 state for sale in this state;

18 (c) Ships or transports moist snuff to retailers in this state, to
19 be sold by those retailers; or

20 (d) Handles for sale any moist snuff that is within this state but
21 upon which tax has not been imposed.

22 (3) Nothing in this section must be construed to exclude from the
23 tax imposed in subsection (1) of this section the handling or
24 distribution of moist snuff in this state that is given away free of
25 charge by the manufacturer or distributor for promotional or any other
26 purposes.

27 (4) The revenue collected under this section must be deposited into
28 the general fund.

29 **NEW SECTION.** **Sec. 3.** A new section is added to chapter 82.26 RCW
30 to read as follows:

31 (1)(a) Except as provided in (b) of this subsection, any additional
32 tax liability arising from a tax increase under this chapter, along
33 with reports and returns prescribed by the department, are due on or
34 before the last day of the month in which the increase becomes
35 effective.

1 (b) The department may require a different due date to coincide
2 with the due date of the first return that the taxpayer files to report
3 its business and occupation tax liability after a tax increase under
4 this chapter becomes effective.

5 (2) If not paid by the due date, interest applies to any unpaid
6 tax. Interest is calculated at the rate as computed under RCW
7 82.32.050(2) from the date the tax became due until the date of
8 payment.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.26 RCW
10 to read as follows:

11 (1) Except as provided in subsections (4) and (5) of this section,
12 payment of the tax imposed in section 2 of this act, or exemption from
13 such tax, must be evidenced by: (a) Stamps affixed to each container
14 of moist snuff; or (b) some other indicia of tax payment or exemption
15 applied to each container of moist snuff, as authorized by the
16 department.

17 (2)(a) Stamps or other indicia of tax payment or exemption must be
18 of the designs and specifications as provided or approved by the
19 department.

20 (b) The department may require that stamps or other indicia of tax
21 payment or exemption be capable of being read by a scanning or similar
22 device. The department may also require that other indicia of tax
23 payment or exemption contain the name and address of the distributor,
24 the date the indicia of tax payment or exemption was affixed to the
25 container of moist snuff, a serial number or other unique number for
26 the indicia of tax payment or exemption, and other such information as
27 the department may by rule require.

28 (c) Stamps or other indicia of tax payment or exemption must allow
29 the department or the liquor control board to readily ascertain by
30 inspection whether or not the tax imposed in section 2 of this act has
31 been paid or whether an exemption from the tax applies.

32 (3) The department must provide by rule the method and manner in
33 which stamps or other indicia of tax payment or exemption are to be
34 affixed to containers of moist snuff and may provide for the
35 cancellation of stamps or other indicia of tax payment or exemption.

36 (4) Where it is established to the department's satisfaction that
37 it is impractical to affix stamps or other indicia of tax payment or

1 exemption to individual containers of moist snuff, the department may
2 authorize the affixing of stamps or other indicia of tax payment or
3 exemption to containers consisting of multiple units of product.

4 (5) The department may, by rule, provide that the tax imposed in
5 section 2 of this act may be paid without the use of stamps or other
6 indicia of tax payment in connection with a particular type of
7 transaction.

8 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.26 RCW
9 to read as follows:

10 (1)(a) Sections 4(1), 6(3)(a), 7, 8, 9, 11, and 12 of this act
11 apply when the department determines that it is feasible, based on
12 existing technology, for distributors and manufacturers to meet the
13 requirements of section 4(1) of this act. The department must make
14 reasonable efforts to provide all known affected distributors and
15 manufacturers notice of its determination that it is technologically
16 feasible for distributors and manufacturers to meet the requirements of
17 section 4(1) of this act. Such notice must be made at least ninety
18 days before the department or liquor control board, as applicable, may
19 enforce the provisions of sections 4(1), 6(3)(a), 7, 8, 9, 11, and 12
20 of this act.

21 (b) The department must solicit input from affected distributors
22 and manufacturers before making a determination that it is
23 technologically feasible for distributors and manufacturers to meet the
24 requirements of section 4(1) of this act.

25 (2) The department must provide a report to the legislature by
26 December 31, 2009, if the department determines by that date that it is
27 not feasible, based on existing technology, for distributors and
28 manufacturers to meet the requirements of section 4(1) of this act.
29 The report must provide information about the barriers to implementing
30 the provisions of section 4(1) of this act, whether any other states
31 have implemented requirements similar to those imposed in section 4(1)
32 of this act, whether extending the requirements of section 4(1) of this
33 act to the tax imposed in RCW 82.26.020 would improve tax
34 administration, and any other information that the department believes
35 will be useful to the legislature in evaluating legislative options
36 regarding the requirements in section 4(1) of this act.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.26 RCW
2 to read as follows:

3 (1) The department must have as many stamps printed as necessary
4 for distributors to meet the requirements in section 4(1) of this act.

5 (2) Except as otherwise provided in this chapter, only a
6 distributor or manufacturer may cause stamps or other department-
7 approved indicia of tax payment or exemption to be applied to
8 containers of moist snuff. A manufacturer that is not subject to the
9 tax imposed in section 2 of this act with respect to any containers of
10 moist snuff shipped to distributors in this state may voluntarily apply
11 department-approved indicia of tax payment on such containers, if the
12 manufacturer agrees to collect the tax imposed in section 2 of this act
13 from the distributors and remit the tax to the department.

14 (3) Except as otherwise provided in this chapter, stamps or other
15 indicia of tax payment or exemption must be affixed:

16 (a) To containers before a distributor may sell, handle, or
17 distribute moist snuff in this state; and

18 (b) In such a manner that the stamps or other indicia of tax
19 payment or exemption cannot be removed from the container without being
20 mutilated or destroyed.

21 (4) Only distributors licensed under this chapter may purchase or
22 obtain stamps, and licensed distributors may not sell or provide stamps
23 to any other licensed distributor or person.

24 (5) Each roll of stamps, or group of sheets, must have a separate
25 serial number, which must be legible at the point of sale. The
26 department must keep records of which distributor purchases each roll
27 or group of sheets. If the department permits distributors to purchase
28 partial rolls or sheets, in no case may stamps bearing the same serial
29 number be sold to more than one distributor. The remainder of the roll
30 or sheet, if any, must either be retained for later purchases by the
31 same distributor or destroyed.

32 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.26 RCW
33 to read as follows:

34 (1) Except as authorized by this chapter, no person other than a
35 licensed distributor may possess unstamped moist snuff within this
36 state for sale, handling, or distribution.

1 (2)(a) Every distributor licensed under this chapter may possess
2 within this state unstamped moist snuff for such period of time after
3 receipt as is reasonably necessary to affix the stamps or other indicia
4 of tax payment or exemption as required by this chapter.

5 (b) Any distributor licensed under this chapter, that has furnished
6 a surety bond in a sum satisfactory to the department, is permitted to
7 set aside, without affixing the stamps or other indicia of tax payment
8 or exemption required by this chapter, such part of the distributor's
9 stock of moist snuff as may be necessary for the conduct of the
10 distributor's business in making sales of the type described in RCW
11 82.26.110(1)(a). Such stock must be kept separate and apart from stock
12 that is stamped or otherwise contains department-approved indicia of
13 tax payment or exemption.

14 (3) Every distributor licensed under this chapter must, at the time
15 of shipping or delivering moist snuff to a point outside of this state
16 or to the United States or any of its agencies or instrumentalities or
17 to any Indian tribal organization as defined in RCW 82.26.110, make a
18 copy of the invoice or delivery documentation, which must show full and
19 complete details of the sale or delivery, whether or not stamps or
20 other indicia of tax payment or exemption were affixed to the moist
21 snuff, and must transmit the duplicate invoice to the department, not
22 later than the fifteenth day of the following calendar month. If a
23 distributor fails to comply with the requirements of this subsection,
24 the department may revoke the permission granted under subsection
25 (2)(b) of this section to maintain a stock of unstamped moist snuff.

26 (4) Unstamped moist snuff possessed by a distributor under
27 subsection (2) of this section that is transferred by the distributor
28 to another facility of the distributor within the borders of Washington
29 must be transferred in compliance with RCW 82.26.140.

30 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.26 RCW
31 to read as follows:

32 No retailer in this state may possess unstamped moist snuff within
33 this state unless the person is also a distributor licensed under this
34 chapter and is in possession of the moist snuff in accordance with
35 section 7 of this act.

1 **Sec. 9.** RCW 82.26.190 and 2005 c 180 s 16 are each amended to read
2 as follows:

3 (1)(a) No person may engage in or conduct business as a distributor
4 or retailer in this state after September 30, 2005, without a valid
5 license issued by the department under this chapter. Any person who
6 sells tobacco products to persons other than ultimate consumers or who
7 meets the definition of distributor under RCW 82.26.010(3)(d) must
8 obtain a distributor's license under this chapter. Any person who
9 sells tobacco products to ultimate consumers must obtain a retailer's
10 license under this chapter.

11 (b) It is unlawful to forge or counterfeit any stamp or other
12 indicia of payment of, or exemption from, the tax imposed in section 2
13 of this act.

14 (c) A violation of this subsection (1) is punishable as a class C
15 felony according to chapter 9A.20 RCW.

16 (2)(a) No person engaged in or conducting business as a distributor
17 or retailer in this state may:

18 (i) Refuse to allow the department or the board, on demand, to make
19 a full inspection of any place of business where any of the tobacco
20 products taxed under this chapter are sold, stored, or handled, or
21 otherwise hinder or prevent such inspection;

22 (ii) Make, use, or present or exhibit to the department or the
23 board any invoice for any of the tobacco products taxed under this
24 chapter that bears an untrue date or falsely states the nature or
25 quantity of the goods invoiced; or

26 (iii) Fail to produce on demand of the department or the board all
27 invoices of all the tobacco products taxed under this chapter within
28 five years prior to such demand unless the person can show by
29 satisfactory proof that the nonproduction of the invoices was due to
30 causes beyond the person's control.

31 (b) No person, other than a licensed distributor or retailer, may
32 transport tobacco products for sale in this state for which the taxes
33 imposed under this chapter have not been paid unless:

34 (i) Notice of the transportation has been given as required under
35 RCW 82.26.140;

36 (ii) The person transporting the tobacco products actually
37 possesses invoices or delivery tickets showing the true name and

1 address of the consignor or seller, the true name and address of the
2 consignee or purchaser, and the quantity and brands of tobacco products
3 being transported; and

4 (iii) The tobacco products are consigned to or purchased by a
5 person in this state who is licensed under this chapter.

6 (c) No person, as defined in RCW 82.26.010(18)(b) may:

7 (i) Possess in this state stamps not affixed to any container of
8 moist snuff, whether such stamps are genuine or counterfeit, other than
9 the department, its duly authorized agent, or licensed distributors who
10 have lawfully purchased or obtained the stamps; or

11 (ii) Affix any stamp or other indicia of tax payment or exemption
12 to any container of moist snuff, if the stamp or other indicia of tax
13 payment or exemption is not genuine.

14 (d) A violation of this subsection (2) is a gross misdemeanor.

15 (3) Any person licensed under this chapter as a distributor, and
16 any person licensed under this chapter as a retailer, shall not operate
17 in any other capacity unless the additional appropriate license is
18 first secured. A violation of this subsection (3) is a misdemeanor.

19 (4) The penalties provided in this section are in addition to any
20 other penalties provided by law for violating the provisions of this
21 chapter or the rules adopted under this chapter.

22 **Sec. 10.** RCW 82.26.030 and 2005 c 180 s 1 are each amended to read
23 as follows:

24 (1) It is the intent and purpose of this chapter to levy a tax on
25 all tobacco products sold, (~~used, consumed,~~) handled, or distributed
26 within this state and to collect the tax from the distributor as
27 defined in RCW 82.26.010. It is the further intent and purpose of this
28 chapter to impose the tax once, and only once, on all tobacco products
29 (~~for sale~~) sold, handled, or distributed in this state, but nothing
30 in this chapter shall be construed to exempt any person taxable under
31 any other law or under any other tax imposed under Title 82 RCW. It is
32 the further intent and purpose of this chapter that the distributor who
33 first possesses the tobacco product in this state shall be the
34 distributor liable for the tax and that in most instances the tax
35 imposed in RCW 82.26.020 will be based on the actual price that the
36 distributor paid for the tobacco product, unless the distributor is
37 affiliated with the seller.

1 (2) In the event of a rate or other increase in the tax imposed
2 under this chapter, it is the intent of the legislature that the first
3 person who sells, handles, or distributes previously taxed articles
4 after the effective date of the rate or other tax increase is liable
5 for the additional tax. The failure to pay the additional tax with
6 respect to the first taxable event after the effective date of a rate
7 increase does not prevent tax liability for the additional tax from
8 arising from a subsequent taxable event.

9 **Sec. 11.** RCW 82.26.230 and 2005 c 180 s 20 are each amended to
10 read as follows:

11 (1) Any tobacco products in the possession of a person selling
12 tobacco products in this state acting as a distributor or retailer and
13 who is not licensed as required under RCW 82.26.190, or a person who is
14 selling tobacco products in violation of RCW 82.26.220(6), may be
15 seized without a warrant by any agent of the department, agent of the
16 board, or law enforcement officer of this state. Any tobacco products
17 seized under this subsection shall be deemed forfeited.

18 (2) Any tobacco products in the possession of a person who is not
19 a licensed distributor or retailer and who transports tobacco products
20 for sale without having provided notice to the board required under RCW
21 82.26.140, or without invoices or delivery tickets showing the true
22 name and address of the consignor or seller, the true name and address
23 of the consignee or purchaser, and the quantity and brands of tobacco
24 products being transported may be seized and are subject to forfeiture.

25 (3) Any moist snuff found at any point within this state that does
26 not have the stamps or other indicia of tax payment or exemption
27 affixed to the containers in violation of the requirements of this
28 chapter may be seized and is subject to forfeiture.

29 (4) All conveyances, including aircraft, vehicles, or vessels that
30 are used, or intended for use to transport, or in any manner to
31 facilitate the transportation, for the purpose of sale or receipt of
32 tobacco products under subsection (2) of this section, may be seized
33 and are subject to forfeiture except:

34 (a) A conveyance used by any person as a common or contract carrier
35 having in actual possession invoices or delivery tickets showing the
36 true name and address of the consignor or seller, the true name of the
37 consignee or purchaser, and the quantity and brands of the tobacco

1 products transported, unless it appears that the owner or other person
2 in charge of the conveyance is a consenting party or privy to a
3 violation of this chapter;

4 (b) A conveyance subject to forfeiture under this section by reason
5 of any act or omission of which the owner establishes to have been
6 committed or omitted without his or her knowledge or consent; or

7 (c) A conveyance encumbered by a bona fide security interest if the
8 secured party neither had knowledge of nor consented to the act or
9 omission.

10 ~~((+4))~~ (5) Property subject to forfeiture under subsections (2)
11 and ~~((+3))~~ (4) of this section may be seized by any agent of the
12 department, the board, or law enforcement officer of this state upon
13 process issued by any superior court or district court having
14 jurisdiction over the property. Seizure without process may be made
15 if:

16 (a) The seizure is incident to an arrest or a search warrant or an
17 inspection under an administrative inspection warrant; or

18 (b) The department, board, or law enforcement officer has probable
19 cause to believe that the property was used or is intended to be used
20 in violation of this chapter and exigent circumstances exist making
21 procurement of a search warrant impracticable.

22 ~~((+5))~~ (6) This section shall not be construed to require the
23 seizure of tobacco products if the department's agent, board's agent,
24 or law enforcement officer reasonably believes that the tobacco
25 products are possessed for personal consumption by the person in
26 possession of the tobacco products.

27 ~~((+6))~~ (7) Any tobacco products seized by a law enforcement
28 officer shall be turned over to the board as soon as practicable.

29 NEW SECTION. **Sec. 12.** A new section is added to chapter 82.26 RCW
30 to read as follows:

31 (1) The department may adopt rules providing for the refund to
32 distributors for tax paid in respect to containers of moist snuff to
33 which stamps or other indicia of tax payment have been affixed, when
34 any of the circumstances described in RCW 82.26.110(1)(a) apply to the
35 moist snuff.

36 (2) Compensation received under section 13 of this act must be
37 deducted from any refund provided under subsection (1) of this section.

1 (3) The department may redeem any unused stamps purchased from it
2 or its authorized agent at the face value of the stamps, less the
3 affixing compensation authorized under section 13 of this act.

4 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.26 RCW
5 to read as follows:

6 Distributors that are subject to the tax imposed in section 2 of
7 this act and are required to affix stamps or some other indicia of tax
8 payment on containers of moist snuff are allowed as compensation for
9 their services in affixing the stamps or other indicia of tax payment
10 a sum computed at the rate of six dollars per one thousand stamps or
11 other indicia affixed by them.

12 **Sec. 14.** RCW 82.04.601 and 2007 c 221 s 5 are each amended to read
13 as follows:

14 (1) This chapter does not apply to compensation allowed under:

15 (a) RCW 82.24.295 for wholesalers and retailers for their services
16 in affixing the stamps required under chapter 82.24 RCW; and

17 (b) Section 13 of this act for distributors, as defined in RCW
18 82.26.010, for their services in affixing the stamps or other indicia
19 of tax payment required under chapter 82.26 RCW.

20 (2) For purposes of subsection (1)(a) of this section,
21 "wholesaler," "retailer," and "stamp" have the same meaning as in
22 chapter 82.24 RCW.

23 NEW SECTION. **Sec. 15.** This act takes effect July 1, 2008.

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