

**2013 DRAFTING REQUEST**

**Bill**

Received: 10/11/2012 Received By: jkreye  
Wanted: As time permits Same as LRB:  
For: Administration-Budget By/Representing: Byrnes  
May Contact: Drafter: jkreye  
Subject: Tax, Other - alcohol and tobacco Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email:  
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

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**Pre Topic:**

DOA:.....Byrnes, BB0037 -

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**Topic:**

Cigarette tax stamp application methods

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/15/2012			_____			
/P1	jkreye 1/25/2013	kfollett 10/17/2012	rschluet 10/17/2012	_____	sbasford 10/17/2012		
/P2		kfollett 1/25/2013	jfrantze 1/28/2013	_____	srose 1/28/2013		

FE Sent For:

**<END>**

**2013 DRAFTING REQUEST**

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Wanted: As time permits Companion to LRB:  
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1/12/12  
1/25/12

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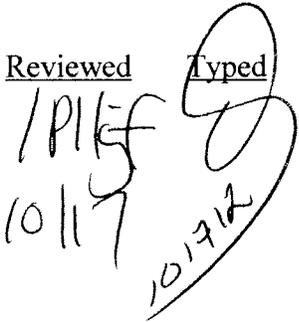
Cigarette tax stamp application methods

Instructions:

See attached

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/?	jkreye	1/PIEF 10/11/12		==			
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FE Sent For:

<END>

0357

**Hanaman, Cathlene**

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**From:** Tyler.Byrnes@Wisconsin.gov  
**Sent:** Friday, September 28, 2012 10:31 AM  
**To:** Hanaman, Cathlene  
**Cc:** Thornton, Scott - DOA; Frederick, Caitlin - DOA; Byrnes, Tyler - DOA  
**Subject:** Statutory Language Drafting Request  
**Attachments:** Cig Stamp Methods - 7006.pdf

**Biennial Budget:**2013-15

**Topic:** Allow more options for cigarette stamp application Method

**Tracking Code:** BB0037

**SBO Team:** TLGED

**SBO Analyst:** Byrnes, Tyler - DOA  
**Phone:** (608) 266-1039  
**E-mail:** [Tyler.Byrnes@Wisconsin.gov](mailto:Tyler.Byrnes@Wisconsin.gov)

**Agency Acronym:** DOR

**Agency Number:** 566

**Priority:** High

**Intent:**

Current law only allows for water transfer stamps and heat applied stamps. Stamping technology has changed, creating new types of application technology such as digital stamping and pressure stamping. Please modify statutes to allow additional stamping methods, including pressure applied stamps. See attached issue paper and drafting instructions.

**Attachments:** True

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*

**TITLE: CIGARETTE STAMP APPLICATION METHODS**

**DESCRIPTION OF CURRENT LAW AND PROBLEM**

Current definition of a stamp under sec. 139.30 (13), Wis. Stats., only addresses water transfer stamps and heat applied stamps. With changing technology, cigarette tax stamps are being designed with methods of application other than water transfer and heat applied, such as pressure applied and impressions by machines.

**RECOMMENDATION FOR ACTION**

Update statutes to account for changes in cigarette stamp technology and provide options under Wisconsin law.

**IMPACT ON JOB CREATION**

None.

**FISCAL EFFECT**

The proposal will have no impact on cigarette tax collections. By explicitly allowing a greater range of stamping technologies, the proposal may reduce costs to cigarette manufacturers and distributors (who are required under s.139.32 (5m) to pay the department for the cost of the printing and shipping the tax stamps).

**DRAFTING INSTRUCTIONS**

Amend sec. 139.30 (13), Wis. Stats., to read: "Stamp" means the authorized indicia of cigarette tax payment including but not limited to ~~water transfer, stamps and heat applied stamps and pressure applied stamps.~~

Amended sec. 139.32 (4), Wis. Stats., to read: "In lieu of stamps the secretary may authorize images, marks or impressions applied by the use of ~~meter~~ machines. The secretary shall prescribe by rule the type of image, mark or impression and the kind of machines which may be used.

Amend sec. 139.44(1m), Wis. Stats., to read: " Any person who falsely or fraudulently tampers with a cigarette tax application machine ~~meter~~ in order to evade the tax under s. 139.31 is guilty of a Class G felony."

**EFFECTIVE DATE**

Day after publication

**INTERESTED/AFFECTED PARTIES**

Cigarette distributors



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0357/P1

JK: *[Signature]*

DOA:.....Byrnes, BB0037 – Cigarette tax stamp application methods

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**

*m* 10-15-12

*Don't Gen*

1 **AN ACT** ...; **relating to:** the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

Under current law, the person who first receives cigarettes for sale in this state must pay the cigarette tax and affix stamps to the cigarette packages. Under current law, for cigarette tax purposes, “stamp” is defined as the authorized indication of the cigarette tax payment and includes water transfer stamps and heat applied stamps. This bill expands the “stamp” definition to include pressure applied stamps.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 1.** 139.30 (13) of the statutes is amended to read:

3 139.30 (13) “Stamp” means the authorized indicia of cigarette tax payment  
4 including water transfer stamps and, heat applied stamps, and pressure applied  
5 stamps.

1 SECTION 2. 139.32 (4) of the statutes is amended to read:

2 139.32 (4) In lieu of stamps the secretary may authorize images, marks, or  
3 impressions applied by the use of meter using machines machines. The secretary  
4 shall prescribe by rule the type of image, mark, or impression and the kind of  
5 machines which may be used.

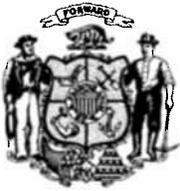
6 History: 1971 c. 125; 1977 c. 29; 1983 a. 27; 1985 a. 29; 1987 a. 399; 1989 a. 31; 1993 a. 16, 482; 1997 a. 27; 2005 a. 25; 2007 a. 20.

6 SECTION 3. 139.44 (1m) of the statutes is amended to read:

7 139.44 (1m) Any person who falsely or fraudulently tampers with a cigarette  
8 meter stamp application machine in order to evade the tax under s. 139.31 is guilty  
9 of a Class G felony.

10 History: 1981 c. 20; 1983 a. 63; 1985 a. 302; 1987 a. 399; 1989 a. 31; 1993 a. 16; 1997 a. 27, 283; 2001 a. 109.

(END)



RMR

DOA:.....Byrnes, BB0037 - Cigarette tax stamp application methods

**FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION**

*requires DOR to study the feasibility of using pressure applied stamps on cigarette packages and report its findings to the governor by June 30, 2014*

*Don't Gen*

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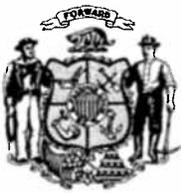
(END)

Insert 2-9

Insert 2-9

Sec 9137. Nonstatutory provisions; Revenue. <sup>(B)</sup>

(1) Pressure applied <sup>tax</sup> stamps. <sup>(C)</sup> The department of revenue shall study the feasibility of using pressure applied stamps <sup>on</sup> cigarette packages <sup>s as</sup> as an indication of the tax paid under section 139.31 <sup>✓</sup> of the statutes and shall submit its findings to the governor <sup>no</sup> no later than June 30, 2014.



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0357/P2  
JK:kjf:jf

DOA:.....Byrnes, BB0037 - Cigarette tax stamp application methods

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 9137. Nonstatutory provisions; Revenue.**

3 (1) **PRESSURE APPLIED TAX STAMPS.** The department of revenue shall study the  
4 feasibility of using pressure applied stamps on cigarette packages as an indication

**SECTION 9137**

1 of the tax paid under section 139.31 of the statutes and shall submit its findings to  
2 the governor no later than June 30, 2014.

3 (END)