



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1161/P4
EKL:cdc

DOA:.....Gilchrist, BB0159 - Imposing the cigarette tax on little cigars

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

1. Excise tax on little cigars

This bill taxes little cigars at the same rate as the excise tax imposed on cigarettes. Under current law, all cigars are taxed at the rate of 71 percent of the manufacturer's established list price, limited to 50 cents per cigar. Under the bill, little cigars weighing no more than three pounds per thousand are taxed at the rate of 126 mills per little cigar and all other little cigars are taxed at the rate of 252 mills per little cigar. The bill defines "little cigar" to mean a cigar that has an integrated cellulose acetate filter and is wrapped in any substance containing tobacco.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 139.44 (4) of the statutes is amended to read:

139.44 (4) Any person who refuses to permit the examination or inspection authorized in s. 139.39 (2) or 139.83 (1) may be fined not more than \$500 or imprisoned not more than 90 days or both. Such refusal shall be cause for immediate suspension or revocation of permit by the secretary.

SECTION 2. 139.75 (1m) of the statutes is created to read:

139.75 (1m) “Cigar” means a roll, of any size or shape, of tobacco for smoking that is made wholly or in part of tobacco, regardless of whether the tobacco is pure, flavored, adulterated, or mixed with an ingredient if the roll has a wrapper made wholly or in part of tobacco.

SECTION 3. 139.75 (4t) of the statutes is created to read:

139.75 (4t) “Little cigar” means a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco.

SECTION 4. 139.76 (1m) of the statutes is created to read:

139.76 (1m) The tax under sub. (1) is imposed on little cigars at the following rates:

(a) On little cigars weighing not more than 3 pounds per thousand, 126 mills on each little cigar.

(b) On little cigars weighing more than 3 pounds per thousand, 252 mills on each little cigar.

SECTION 5. 139.78 (1m) of the statutes is created to read:

139.78 (1m) The tax under sub. (1) is imposed on little cigars at the following rates:

(a) On little cigars weighing not more than 3 pounds per thousand, 126 mills on each little cigar.

(b) On little cigars weighing more than 3 pounds per thousand, 252 mills on each little cigar.

SECTION 6. 139.83 of the statutes is renumbered 139.83 (1).

SECTION 7. 139.83 (2) of the statutes is created to read:

139.83 (2) Sections 139.315, 139.32, 139.321, and 139.44 (8), as they apply to the tax under subch. II, apply to the administration and enforcement of this subchapter for little cigars.

(END)