

**1999 DRAFTING REQUEST**

**Senate Amendment (SA-SB413)**

Received: 03/02/2000

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Judy Robson (608) 266-2253

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - cigarettes and t.p.

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Cigarettes not intended for sale in the U.S.

**Instructions:**

See Attached

**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>
/1	jkreye 03/02/2000	chanaman 03/02/2000	martykr 03/02/2000	_____	lrb_docadmin 03/02/2000	lrb_docadmin 03/02/2000	

FE Sent For:

<END>

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/1	jkreye	CMH 1	YR 3/2	SEH 3/2			
FE Sent For:		3/2					

<END>

## Kreye, Joseph

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**From:** Gates-Hendrix, Sherrie  
**Sent:** Wednesday, March 01, 2000 4:35 PM  
**To:** Kreye, Joseph  
**Subject:** FW: 3364/2 - gray market

See what you think - hope this answers the questions.

-----Original Message-----

**From:** Nordlie, John K  
**Sent:** Wednesday, March 01, 2000 4:05 PM  
**To:** Gates-Hendrix, Sherrie  
**Subject:** RE: 3364/2 - gray market

**Sherrie:**

**1. Yes, they cannot affix a tax stamp to a cigarette package unless it has the correct surgeon general's warning as indicated in Act 15 U.S.C. 1333. The answer to the second question is yes, federal law prohibits these cigarettes from being sold in the United States, and we are also making it illegal in Wisconsin. The reason for this is that it gives us the authority to confiscate.**

**2. The reason for the addition in the second suggestion, was that section 2754 of the Internal Revenue Code covers this, and the addition of any other federal law, or implementing federal regulation was added by Atty. Remes to cover any future federal law or regulation covering cigarettes without us having to change our statute to reference the specific federal law or regulation. If Atty. Kreye feels that his change will cover us, I can live with his suggestion.**

**Let me know if you have any additional questions, thanks.**

-----Original Message-----

**From:** Gates-Hendrix, Sherrie  
**Sent:** Wednesday, March 01, 2000 3:10 PM  
**To:** Nordlie, John K  
**Subject:** FW: 3364/2 - gray market

??

-----Original Message-----

**From:** Kreye, Joseph  
**Sent:** Wednesday, March 01, 2000 2:31 PM  
**To:** Gates-Hendrix, Sherrie  
**Cc:** Austin, David  
**Subject:** RE: 3364/2 - gray market

Sherrie:

1. Regarding the first suggestion, it seems to indicate that a person cannot affix stamps to packages that have the surgeon general's warning on it. Do you really mean that no person may affix a tax stamp to a package that is label as not intended for consumption in the U.S. and no person may affix a tax stamp to a package that is not labelled as provided under federal law?

2. Regarding the second suggestion, because the referenced section of the IRC is "federal law" and a federal regulation is "federal law" it is redundant to include all of the suggested language. Therefore, I can amend that section to read: "Any cigarettes imported into the United States after December 31, 1999. **in violation of federal law.**"

I look forward to your response.

**Joseph T. Kreye**, Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2263  
[joseph.kreye@legis.state.wi.us](mailto:joseph.kreye@legis.state.wi.us)

-----Original Message-----

**From:** Gates-Hendrix, Sherrie  
**Sent:** Wednesday, March 01, 2000 1:55 PM  
**To:** Kreye, Joseph  
**Cc:** Austin, David  
**Subject:** FW: 3364/2 - gray market  
**Importance:** High

Joe -

Based on some input from the tobacco industry, we'd like to have an amendment drafted to SB 413 that makes the two changes John Nordlie outlines below. Could you draft this under Sen. Robson's name?

Thanks.  
Sherrie

-----Original Message-----

**From:** Nordlie, John K  
**Sent:** Wednesday, March 01, 2000 11:58 AM  
**To:** Gates-Hendrix, Sherrie; Evans, John R  
**Cc:** Ourada, Thomas D  
**Subject:** RE: 3364/2 - gray market  
**Importance:** High

**I am proposing the following changes to LRB 3864/2 which is also now SB 413.**

**139.31 (4)(b) A cigarette package that is labeled as provided under federal law as not intended for consumption in the United States, including but not limited to the warning labels specified in the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. 1333.**

**139.31 (4)(d) Any cigarettes that are imported into the United States after December 31, 1999, in violation of section 2754 of the Internal Revenue Code, or any other federal law, or implementing federal regulation.**

**I think that these addition will add some things that were requested by Atty. Remes. Some of the other things included in his request are covered by current statutes and do not need to be added. In addition, some of the reference made to the Master Settlement Agreement (MSA) for statutory changes should be included in the MSA rules not in the statutes. Please let me know if you have any questions concerning this, thanks.**



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBa1585/1

JK:.....

*cmf*

SENATE AMENDMENT,  
TO 1999 SENATE BILL 413

*in 3-2-2000*

*SOON*



1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 11: after that line insert:

3 "(bm) A cigarette package that is not labelled as provided under federal law."

4 2. Page 2, line 15: delete "section 5754 of the Internal Revenue Code" and  
5 substitute "federal law".

6 (END)

*text  
treat*