



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0703/P2
EKL:skw&wlj

DOA:.....Ziegler, BB0219 - Tobacco products manufacturers list price
definition

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

Definition of “manufacturer’s list price”

Current law imposes a tax on tobacco products based on the “manufacturer’s established list price,” without defining the term. This bill removes the word “established” and defines “manufacturer’s list price” to mean the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor. The bill specifies that the total price must include all charges by the manufacturer or other seller that are necessary to complete the sale, without reduction for any cost or expense incurred by the manufacturer or other seller or for the value or cost of discounts or free promotional or sample products. The bill provides that a manufacturer or other seller is related to a distributor if they have significant common purposes and either substantial common membership or substantial common direction or control.

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. 139.75 (5b) of the statutes is created to read:

139.75 **(5b)** “Manufacturer’s list price” means the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor. The total price shall include all charges by the manufacturer or other seller that are necessary to complete the sale. The total price may not be reduced by any cost or expense, regardless of whether the cost or expense is separately stated on an invoice, that is incurred by the manufacturer or other seller, including fees, delivery, freight, transportation, packaging, handling, marketing, federal excise taxes, and import fees or duties. The total price may not be reduced by the value or cost of discounts or free promotional or sample products. For purposes of this subsection, a manufacturer or other seller is related to a distributor if the two parties have significant common purposes and either substantial common membership or, directly or indirectly, substantial common direction or control.

(END)