



Bill Number: S.B. 1240

Lesko Floor Amendment

Reference to: printed bill

Amendment drafted by: Bill Ritz

FLOOR AMENDMENT EXPLANATION

The Lesko Floor amendment makes technical and conforming changes as requested by DOR.

- **The amendment reorganizes current statute regarding tax stamps into appropriate parts of the tobacco tax statutes;**
- **Clarifies that the definition of roll-your-own tobacco is to be interpreted consistently with federal classification guidelines;**
- **Allows DOR to accept alternative forms of information from distributors requesting tobacco tax rebates; and**
- **Makes technical corrections.**

LESKO FLOOR AMENDMENT

SENATE AMENDMENTS TO S.B. 1240

(Reference to printed bill)

1 Page 22, line 32, after the period insert "THIS PARAGRAPH SHALL BE INTERPRETED
2 CONSISTENTLY WITH THE CLASSIFICATION GUIDELINES ESTABLISHED BY THE FEDERAL
3 ALCOHOL AND TOBACCO TAX AND TRADE BUREAU."

4 Page 23, strike lines 12 and 13, insert:

5 "Sec. 10. Section 42-3006, Arizona Revised Statutes, is amended to
6 read:

7 42-3006. Tax stamps: general requirements

8 A. The department shall prepare and have on hand official adhesive
9 stamps ~~of the various types~~ according to the classifications ~~set forth~~ in
10 section 42-3052 of luxuries upon which a tax is imposed by this chapter AND
11 FOR WHICH THE DEPARTMENT EITHER COLLECTS PAYMENT OR PREPAYMENT OF THE TAX
12 THROUGH THE PURCHASE OF SUCH STAMPS OR REQUIRES THE AFFIXATION OF STAMPS TO
13 INDICATE THE TAX-EXEMPT NATURE OF THE LUXURIES.

14 B. The stamps shall HAVE BOTH OF THE FOLLOWING CHARACTERISTICS:

15 1. Be of a character so that they cannot be removed when once attached
16 to an article without destroying them.

17 ~~C. The stamps shall~~ 2. Be printed in the form and manner prescribed by
18 the director.

19 C. ANY TAX STAMP REQUIRED UNDER THIS CHAPTER MUST BE SECURELY AFFIXED
20 TO SOME VISIBLE PART OF THE PACKAGE OR CONTAINER AND MUST REMAIN FIRMLY
21 ADHERED TO THE PACKAGE OR CONTAINER DURING POSSESSION BY THE CONSUMER, EXCEPT
22 AS OTHERWISE PROVIDED.

23 ~~D. The department shall prescribe by rule or procedure the method and
24 manner in which stamps are to be affixed to cigarettes and may provide for
25 the cancellation of stamps.~~

26 ~~E. D.~~ D. Cigarette stamps shall also meet the requirements of article 5
27 11 of this chapter.

Senate Amendments to S.B. 1240

1 Sec. 11. Repeal

2 Section 42-3007, Arizona Revised Statutes, is repealed.”

3 ReNUMBER to conform

4 Page 31, line 7, before “EXCEPT” insert “A.”; after “PROVIDED” insert “UNDER
5 SUBSECTION B OF THIS SECTION OR”

6 Between lines 36 and 37, insert:

7 “B. IN ITS DISCRETION AND IN CIRCUMSTANCES WHERE A RETAILER IS
8 UNCOOPERATIVE OR NO LONGER IN BUSINESS, THE DEPARTMENT MAY ACCEPT PROOF OTHER
9 THAN A REPORT DESCRIBED IN SUBSECTION A OF THIS SECTION IF THE DISTRIBUTOR
10 SHOWS, TO THE SATISFACTION OF THE DEPARTMENT, THAT IT EXERCISED ORDINARY
11 BUSINESS CARE AND PRUDENCE BUT WAS UNABLE TO FURNISH A REPORT EXECUTED BY
12 THE RETAILER. ACCEPTABLE FORMS OF PROOF PRESENTED BY THE DISTRIBUTOR PURSUANT
13 TO THIS SUBSECTION MUST CONSIST OF BOOKS, RECORDS OR PAPERS MAINTAINED BY THE
14 DISTRIBUTOR OR RETAILER IN THE REGULAR COURSE OF BUSINESS.”

15 Page 33, between lines 34 and 35, insert:

16 “A. THE DEPARTMENT SHALL PRESCRIBE BY RULE OR PROCEDURE THE METHOD AND
17 MANNER IN WHICH TAX STAMPS ARE TO BE AFFIXED TO CIGARETTES AND MAY PROVIDE
18 FOR THE CANCELLATION OF STAMPS. IN ADDITION TO ANY SPECIFICATIONS PROVIDED
19 UNDER THIS ARTICLE, THE STAMPS SHALL ALSO MEET THE REQUIREMENTS PROVIDED IN
20 SECTION 42-3006.”

21 Reletter to conform

22 Page 34, line 6, strike “B” insert “C”

23 Page 39, line 9, strike “definition” insert “definitions”

24 Page 41, line 11, strike “: ~~;~~” insert “,”

25 Strike lines 12, 13 and 14

26 Line 15, strike “2.”

27 Amend title to conform

2/24/15
9:28 AM
S: BR/lS