

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

D

SENATE DRS55047-MAx-16 (2/22)

Short Title: Increase Cigarette Excise Tax by 75 Cents. (Public)

Sponsors: Senators Nesbitt, Kinnaird and Cowell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE EXCISE TAX ON CIGARETTES.

3 Whereas, tobacco use continues to be a major health concern among youth in
4 the State; and

5 Whereas, research shows that secondhand smoke is harmful to nonsmokers
6 and results in increasing medical costs being borne by the general public; and

7 Whereas, future costs of health care, such as Medicare and Medicaid, would
8 be significantly reduced if youth did not take up smoking; and

9 Whereas, according to the Centers for Disease Control and Prevention,
10 raising the price of a pack of cigarettes, through a tax, is the most effective way to
11 prevent youth from smoking; and

12 Whereas, studies also show that raising the price of a pack of cigarettes,
13 through a tax, is the most effective way to prevent pregnant women from smoking and
14 therefore prevents harm to unborn children; and

15 Whereas, North Carolina's cigarette tax is the second lowest in the nation;

16 Now, therefore,

17 The General Assembly of North Carolina enacts:

18 **SECTION 1.** G.S. 105-113.5 reads as rewritten:

19 **"§ 105-113.5. Tax on cigarettes.**

20 A tax is levied on the sale or possession for sale in this State, by a distributor, of all
21 cigarettes at the rate of ~~two and one-half mills~~ four cents (4¢) per individual cigarette."

22 **SECTION 2.** G.S. 105-113.35(a) reads as rewritten:

23 **"§ 105-113.35. Tax on tobacco products other than cigarettes.**

24 (a) Tax. – An excise tax is levied on tobacco products other than cigarettes at the
25 rate of ~~two percent (2%)~~ thirty percent (30%) of the cost price of the products. This tax
26 does not apply to the following:

27 (1) A tobacco product sold outside the State.

- 1 (2) A tobacco product sold to the federal government.
2 (3) A sample tobacco product distributed without charge."
3 **SECTION 3.** This act becomes effective July 1, 2005.