

SENATE BILL NO. 244—SENATOR JACOBSEN (BY REQUEST)

FEBRUARY 23, 1999

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to sale of cigarettes. (BDR 32-1190)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; prohibiting a dealer from taking certain actions regarding cigarettes manufactured for export outside the United States; prohibiting a dealer from affixing a revenue stamp or meter impression upon certain containers of cigarettes; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 370 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 ***1. A wholesale or retail dealer shall not affix a Nevada cigarette***
4 ***revenue stamp or a metered machine impression upon a package, carton,***
5 ***packet or other container of cigarettes which:***
6 ***(a) Does not meet the requirements of the Federal Cigarette Labeling***
7 ***and Advertising Act, 15 U.S.C. §§ 1331 et seq., for the placement of***
8 ***labels, warnings or any other information required by that Act to be***
9 ***placed upon a container of cigarettes sold within the United States;***
10 ***(b) Is labeled as “for export only,” “U.S. tax exempt,” “for use outside***
11 ***the U.S.” or with similar wording indicating that the manufacturer did***
12 ***not intend for the product to be sold in the United States;***
13 ***(c) Has been altered by the unauthorized addition or removal of***
14 ***wording, labels or warnings described in paragraph (a) or (b);***
15 ***(d) Has been exported from the United States after January 1, 2000,***
16 ***and imported into the United States in violation of 26 U.S.C. § 5754; or***
17 ***(e) Violates a federal trade-mark or copyright law.***
18 ***2. A wholesale or retail dealer shall not:***

1 (a) *Affix Nevada cigarette revenue stamps or metered machine*
2 *impressions on;*

3 (b) *Sell or distribute in this state; or*

4 (c) *Possess in this state with the intent to sell or distribute in this*
5 *state,*

6 *cigarettes manufactured for export outside the United States.*

7 3. *The department may impose a penalty on a wholesale or retail*
8 *dealer who violates subsection 1 or 2 as follows:*

9 (a) *For the first violation, a penalty of \$5,000.*

10 (b) *For each subsequent violation, a penalty of \$10,000.*

11 4. *Notwithstanding any other provision of law, the department may*
12 *seize, destroy or sell to the manufacturer, for export only, a container of*
13 *cigarettes upon which a revenue stamp or metered machine impression*
14 *was placed in violation of subsection 1 or 2.*

15 5. *As used in this section, "cigarettes manufactured for export*
16 *outside the United States" means cigarettes contained in a package or*
17 *carton which indicates that the cigarettes are tax exempt and for use*
18 *outside the United States.*

19 **Sec. 2.** NRS 370.001 is hereby amended to read as follows:

20 370.001 As used in NRS 370.005 to 370.430, inclusive, *and section 1*
21 *of this act*, unless the context otherwise requires, the words and terms
22 defined in NRS 370.005 to 370.055, inclusive, have the meanings ascribed
23 to them in those sections.

24 **Sec. 3.** NRS 370.070 is hereby amended to read as follows:

25 370.070 The provisions of NRS 370.001 to 370.430, inclusive, *and*
26 *section 1 of this act* do not apply to common carriers while engaged in
27 interstate commerce which sell or furnish cigarettes on their trains, buses or
28 airplanes.

29 **Sec. 4.** The amendatory provisions of this act do not apply to
30 violations committed before January 1, 2000.

31 **Sec. 5.** This act becomes effective on January 1, 2000.