

## Senate Bill No. 1701

### CHAPTER 881

An act to amend, repeal, and add Section 30162 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 25, 2002. Filed  
with Secretary of State September 26, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1701, Peace. Tobacco taxes: tax stamps.

The Cigarette and Tobacco Products Tax Law requires that an appropriate stamp be affixed to, or that an appropriate meter impression be made upon, each package of cigarettes prior to distribution.

This bill would, as of January 1, 2005, require the State Board of Equalization to replace the stamps and meter impressions, currently required to be affixed to tobacco products, with a stamp or meter impression that can be read by a scanning or similar device, and encrypted with specified information.

*The people of the State of California do enact as follows:*

SECTION 1. Section 30162 of the Revenue and Taxation Code is amended to read:

30162. (a) Stamps and meter impressions shall be of the designs, specifications and denominations as may be prescribed by the board. The board shall prescribe by regulation the method and manner in which stamps or meter impressions are to be affixed to packages of cigarettes and may provide for the cancellation of stamps or meter impressions.

(b) This section shall remain in effect until January 1, 2005, and as of that date is repealed.

SEC. 2. Section 30162 is added to the Revenue and Taxation Code, to read:

30162. (a) Stamps and meter impressions shall be of the designs, specifications, and denominations as may be prescribed by the board. Stamps and meter impressions shall be generated by a technology capable of being read by a scanning or similar device and shall be encrypted with, at a minimum, the following information:

- (1) The name and address of the distributor affixing the stamp or meter impression.
- (2) The date the stamp or meter impression was affixed.
- (3) The denominated value of the stamp or meter impression.



(b) The board shall prescribe by regulation the method and manner in which stamps or meter impressions are to be affixed to packages of cigarettes and may provide for the cancellation of stamps or meter impressions.

(c) This section shall become operative on January 1, 2005.

