

AMENDED IN ASSEMBLY MARCH 14, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1901

Introduced by Assembly Member Quirk

February 11, 2016

An act to amend Section 30473.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1901, as amended, Quirk. Taxation: cigarettes: unaffixed stamps.

The Cigarette and Tobacco Products Tax Law imposes a tax on distributors of cigarettes at the rate of \$0.87 per package of 20 cigarettes. That law requires that tax be paid through the use of stamps or meter impressions, and requires that these stamps or meter impressions be affixed to each package of cigarettes distributed. That law also imposes a fine of up to \$50,000, as specified, or imprisonment not to exceed one year in county jail, or both, for possessing, selling, or buying false or fraudulent cigarette tax stamps or meter impressions, and requires the destruction by the State Board of Equalization of any stamps seized. Existing law requires any fines assessed to be deposited in the Cigarette and Tobacco Products Compliance Fund, amounts in which are available for specified expenditure upon appropriation by the Legislature.

This bill would extend those penalties for possessing, selling, or buying unaffixed cigarette tax stamps, and would require any fines assessed to be deposited in the Cigarette and Tobacco Products Compliance Fund. This bill would require the board to destroy any unaffixed cigarette tax stamps.

By expanding the scope of existing crimes, this bill imposes a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 30473.5 of the Revenue and Taxation
2 Code is amended to read:

3 30473.5. (a) Any person who possesses, sells, or offers to sell,
4 or buys or offers to buy, any false, fraudulent, or unaffixed stamps
5 or meter impressions provided for or authorized under this part in
6 a quantity of less than 2,000 is guilty of a misdemeanor, punishable
7 by a fine not to exceed five thousand dollars (\$5,000) or
8 imprisonment not exceeding one year in a county jail, or by both
9 the fine and imprisonment.

10 (b) Any person who possesses, sells, or offers to sell, or buys
11 or offers to buy any false, fraudulent, or unaffixed stamps or meter
12 impressions provided for or authorized under this part in a quantity
13 of 2,000 or greater, is guilty of a misdemeanor, punishable by a
14 fine not to exceed fifty thousand dollars (\$50,000) or imprisonment
15 not exceeding one year in a county jail, or by both the fine and
16 imprisonment. The court shall order any fines assessed be deposited
17 in the Cigarette and Tobacco Products Compliance Fund.

18 (c) For purposes of this section, “unaffixed stamps” *means*
19 *stamps for which the tax has previously been paid by a licensed*
20 *distributor and previously affixed to a package.* “*Unaffixed*
21 *stamps*” do not include any unused and unapplied rolls of stamps
22 or loose stamps *acquired from the board or its authorized agent*
23 *and* in the possession of a licensed distributor.

24 (d) The board shall destroy any stamps seized under this section.

25 SEC. 2. No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of

- 1 the Government Code, or changes the definition of a crime within
- 2 the meaning of Section 6 of Article XIII B of the California
- 3 Constitution.

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