

ASSEMBLY BILL NO. 232—ASSEMBLYMEN HIBBETTS; AND NGUYEN

MARCH 2, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions governing the taxation of other tobacco products. (BDR 32-618)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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; revising the tax imposed upon the receipt, purchase and sale of premium cigars; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, there is imposed upon the receipt, purchase or sale of other
2 tobacco products in this State a tax of 30 percent of the wholesale price of those
3 products. (NRS 370.450) **Section 1** of this bill specifically limits the tax imposed
4 upon the receipt, purchase and sale of other tobacco products that are premium
5 cigars to not more than 50 cents for each premium cigar. **Section 1** defines
6 “premium cigar” as a cigar that is rolled by hand, has a wrapper made of whole
7 tobacco leaves and does not have a filter or mouthpiece.

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

1 **Section 1.** NRS 370.450 is hereby amended to read as follows:
2 370.450 1. Except as otherwise provided in this section, there
3 is hereby imposed upon the receipt, purchase or sale of other
4 tobacco products in this State :

5 *(a) If the other tobacco products are not premium cigars,* a tax
6 of 30 percent of the wholesale price of those products ~~is~~; and

7 *(b) If the other tobacco products are premium cigars, a tax of*
8 *the lesser of 30 percent of the wholesale price of those products or*
9 *50 cents for each premium cigar.*

10 2. The provisions of subsection 1 do not apply to those
11 products which are:



1 (a) Displayed or exhibited at a trade show, convention or other
2 exhibition in this State by a manufacturer or wholesale dealer of
3 other tobacco products who is not licensed in this State; or

4 (b) Distributed free of charge at a trade show, convention or
5 other exhibition or public event in this State, if the distributor has
6 obtained a license to distribute other tobacco products free of charge
7 for the trade show, convention or other exhibition or public event.

8 3. This tax:

9 (a) Is imposed:

10 (1) At the time the other tobacco products are first possessed
11 or received by a wholesale dealer of other tobacco products who
12 maintains a place of business in this State for sale or disposition in
13 this State;

14 (2) At the time the other tobacco products are sold by a
15 wholesale dealer of other tobacco products who does not maintain a
16 place of business in this State to a retail dealer or ultimate
17 consumer; or

18 (3) For other tobacco products manufactured, produced,
19 fabricated, assembled, processed, labeled or finished in this State, at
20 the time the other tobacco products are sold in this State to a
21 wholesale dealer of other tobacco products, retail dealer or ultimate
22 consumer.

23 (b) Must be paid by the wholesale dealer of other tobacco
24 products to the Department, in accordance with the provisions of
25 NRS 370.465. The wholesale dealer of other tobacco products is
26 entitled to retain 0.25 percent of the taxes due to cover the costs of
27 collecting and administering the taxes if the taxes are paid in
28 accordance with the provisions of NRS 370.465.

29 4. Any wholesale dealer of other tobacco products who sells or
30 distributes other tobacco products without paying the tax provided
31 for by this section is guilty of a misdemeanor.

32 **5. *As used in this section, "premium cigar" means a cigar***
33 ***that is rolled by hand, has a wrapper made of whole tobacco leaves***
34 ***and does not have a filter or mouthpiece.***

35 **Sec. 2.** This act becomes effective on July 1, 2023.

