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Appropriations Committee

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 9th, 2021

HB 1324 Tobacco Tax – Out-of-State Sales of Premium Cigars and Pipe Tobacco Program

Honorable Chair Kaiser, Vice Chair Washington and Members of the Committee:

I am happy to introduce House Bill HB 1324 - Tobacco Tax – Out-of-State Sales of Premium Cigars and Pipe Tobacco Program. This bill establishes licensure requirements for remote (out-of-state) tobacco sellers. Accordingly, a person located outside of Maryland must be a licensed remote tobacco seller in order to sell premium cigars or pipe tobacco to consumers in the State. An applicant for a remote tobacco seller license must identify the premium cigars and pipe tobacco that the applicant intends to sell and ship into the State, utilize third-party age verification for purchases and deliveries, and consent to being subject to the State tobacco tax. The bill also alters the definition of an “out-of-state” seller as it applies to the tobacco tax and makes various other modifications to tobacco tax provisions as they apply to out-of-state sellers of premium cigars and pipe tobacco.

This bill would further specify administrative procedures regarding the issuing, denial, and revocation of licenses as well as the monitoring and enforcement of the bill, and makes various clarifying changes to tobacco tax provisions as they apply to out-of-state sellers. Additionally, the Comptroller’s Office advises that it can implement the bill’s provisions with existing budgeted resources. ATC also advises that, once fully staffed, it can handle its responsibilities under the bill with existing budgeted resources.

Overall, this legislation would institute measures that more effectively regulate the distribution and sale of tobacco products in the State of Maryland and provide a mechanism by which the state can track to where and from whom Marylanders are purchasing premium cigars and pipe tobacco.

Thank you for your consideration of HB 1324 and I urge a favorable report.

A handwritten signature in cursive script that reads "Pat Young".

Pat Young, 44B