

Senator Darling
Senator Olsen
Senator Harsdorf
Senator Leibham
Senator Grothman
Senator Hopper

GENERAL FUND TAXES

Weight-Based Taxation of Moist Snuff

Motion:

Move to convert the tax on moist snuff from a price-based tax to a weight-based tax at a rate of \$1.76 per ounce, and at a proportionate rate for any other quantity or fractional part in excess of 1.2 ounces. Specify that the tax imposed on a can or package of moist snuff that weighs less than 1.2 ounces must be equal to the amount of tax imposed on a can or a package of moist snuff that weighs 1.2 ounces. Specify that these provisions would become first effective January 1, 2012.

Note:

Under current law, moist snuff is taxed at a rate of 100% of the manufacturer's list price. The motion would eliminate the price-based tax on moist snuff and, instead, convert the current tax on moist snuff from a price-based tax at a rate of 100% of the manufacturer's list price to a rate of \$1.76 per ounce. The motion would require a minimum tax of \$2.11 per can or package of moist snuff if the can or package weighs less than 1.2 ounces. The motion is not expected to change the total amount of revenues collected from the tax on moist snuff in the 2011-13 biennium; however, the motion would generally reduce the amount of tax imposed on premium brands of moist snuff and increase the amount of tax imposed on lower-priced brands of moist snuff.