House Bill 84

By: Representatives Au of the 50th, Stephens of the 164th, Hawkins of the 27th, Greene of the 154th, and Buckner of the 137th

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 11 of Title 48 of the Official Code of Georgia Annotated, relating to taxes on tobacco and vaping products, so as to increase the rate of the tax on consumable vapor products; to provide that the proceeds derived from such increase are intended to be appropriated for healthcare purposes; to provide for definitions; to provide for related matters; to provide for effective dates; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 11 of Title 48 of the Official Code of Georgia Annotated, relating to taxes on tobacco and vaping products, is amended in Code Section 48-11-1, relating to definitions, by revising paragraphs (16) and (32) as follows:

"(16) ~~'Closed system' means any disposable container which is prefilled and sealed by the manufacturer, not easily refillable or intended or designed to be refillable, and intended or used to dispense consumable vapor products by way of a vapor device that is intended or designed to be reused.~~ Reserved."

"(32) ~~'Open system' means any method or manner used to contain a consumable vapor product that is not a closed system.~~ Reserved."

SECTION 2.

Said chapter is further amended in Code Section 48-11-2, relating to excise tax imposed, rates for tobacco and vaping products, exemptions, collection and payment, and tax separately identified, by revising subsection (a) and adding a new subsection to read as follows:

"(a) An excise tax, in addition to all other taxes of every kind imposed by law, is imposed upon the sale, receipt, purchase, possession, consumption, handling, distribution, or use of cigars, cigarettes, loose or smokeless tobacco, alternative nicotine products, and vapor products in this state at the following rates:

(1) Little cigars: two and one-half mills each;

(2) All cigars other than little cigars: 23 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances;

(3) Cigarettes: 37¢ per pack of 20 cigarettes and a like rate, pro rata, for other size packages;

(4) Loose or smokeless tobacco: 10 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances;

(5) Consumable vapor products ~~in a closed system: 5¢ per fluid milliliter;~~

~~(6) Consumable vapor products in an open system~~: ~~7~~ 15 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances; and

~~(7)~~(6) Vapor devices that contain any consumable vapor product at the time of sale and which are not designed or intended to be reused or refilled: ~~7~~ 15 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances.

(a.1) It is the intent of the General Assembly that the state proceeds derived from any increase on or after July 1, 2025, in the tax rates imposed pursuant to subsection (a) of this Code section are to be appropriated annually to address healthcare issues affecting Georgia residents. Upon request by the chairperson of the House Committee on Appropriations or Senate Appropriations Committee, the department shall report the amount of such increased proceeds derived in the prior fiscal year.″

SECTION 3.

Said chapter is further amended in said Code section, as effective on December 31, 2029, by revising subsection (a) and adding a new subsection to read as follows:

″(a) An excise tax, in addition to all other taxes of every kind imposed by law, is imposed upon the sale, receipt, purchase, possession, consumption, handling, distribution, or use of cigars, cigarettes, loose or smokeless tobacco, alternative nicotine products, and vapor products in this state at the following rates:

(1) Little cigars: two and one-half mills each;

(2) All cigars other than little cigars: 23 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances;

(3) Cigarettes: 37¢ per pack of 20 cigarettes and a like rate, pro rata, for other size packages;

(4) Loose or smokeless tobacco: 10 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances;

(5) Consumable vapor products ~~in a closed system: 5¢ per fluid milliliter;~~
~~(6) Consumable vapor products in an open system~~: ~~7~~ 15 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances; and

~~(7)~~(6) Vapor devices that contain any consumable vapor product at the time of sale and which are not designed or intended to be reused or refilled: ~~7~~ 15 percent of the wholesale cost price, exclusive of any trade, cash, or other discounts or any promotion, advertising, display, or similar allowances.

(a.1) It is the intent of the General Assembly that the state proceeds derived from any increase on or after July 1, 2025, in the tax rates imposed pursuant to subsection (a) of this Code section are to be appropriated annually to address healthcare issues affecting Georgia residents. Upon request by the chairperson of the House Committee on Appropriations or Senate Appropriations Committee, the department shall report the amount of such increased proceeds derived in the prior fiscal year."

SECTION 4.

(a) Except as otherwise provided for in subsection (b) of this section, this Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

(b) Section 3 of this Act shall become effective on December 31, 2029.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.