EXHIBIT 7
DATE 2-16-05
HB HB687

HB687

Generally Revising Tobacco Laws
Enforcement of Tobacco Tax Laws

House Federal Relations, Energy, and Telecommunications Committee
February 16, 2005

Main Provisions of the Bill

Out-of-state Sellers

- Provides that out-of-state sellers who regularly and systematically solicit sales of tobacco products in Montana are required to collect any tax due
- Provides that the owners of businesses that sell tobacco products into the state are individually liable for taxes not collected

Reporting

- Enhances reporting requirements for sellers of tobacco products, common carriers used to deliver tobacco products, for retention of records, and labeling requirements on tobacco products shipped into the state
- Provides for Jenkins Act requirements to report shipments of tobacco products into the state

Enforcement Tools

- Provides for the confiscation of contraband tobacco products
- Provides for a consistent definition of tobacco products between tobacco taxes and the Master Settle Agreement
- Provides DOJ with enhanced investigation tools and responsibilities
- Provides for a hearings process on confiscated contraband products

Penalties for non-compliance

- Provides for substantial administrative penalties for non-compliance
- Provides for felony penalties for consistent non-compliance with tax and reporting requirements