



SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 105, between lines 4 and 5, begin a new paragraph and insert:
- 2 "SECTION 80. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011,
- 3 SECTION 161, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2025]: Sec. 0.4. **(a)** Notwithstanding section 14
- 5 of this chapter, revenue stamps paid for before July 1, 2007, and in the
- 6 possession of a distributor may be used after June 30, 2007, only if the
- 7 full amount of the tax imposed by section 12 of this chapter, as
- 8 effective after June 30, 2007, and as amended by P.L.218-2007, is
- 9 remitted to the department under the procedures prescribed by the
- 10 department.
- 11 **(b) Notwithstanding section 14 of this chapter, revenue stamps**
- 12 **paid for before July 1, 2025, and in the possession of a distributor,**
- 13 **may be used after June 30, 2025, only if the full amount of the tax**
- 14 **imposed by section 12 of this chapter, as amended and effective**
- 15 **after June 30, 2025, is remitted to the department under the**
- 16 **procedures prescribed by the department.**
- 17 SECTION 81. IC 6-7-1-12, AS AMENDED BY P.L.191-2016,
- 18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2025]: Sec. 12. The following taxes are imposed, and shall be
- 20 collected and paid as provided in this chapter, upon the sale, exchange,
- 21 bartering, furnishing, giving away, or otherwise disposing of cigarettes
- 22 within the state of Indiana:
- 23 (1) On cigarettes weighing not more than three (3) pounds per
- 24 thousand (1,000), a tax at the rate of ~~four and nine hundred~~
- 25 ~~seventy-five thousandths cents (\$0.04975)~~ **fourteen and nine**
- 26 **hundred seventy-five thousandths cents (\$0.14975)** per
- 27 individual cigarette.

(2) On cigarettes weighing more than three (3) pounds per thousand (1,000), a tax at the rate of ~~six and six hundred twelve thousandths cents (\$0.06612)~~ **nineteen and nine-tenths cents (\$0.199)** per individual cigarette, except that if any cigarettes weighing more than three (3) pounds per thousand (1,000) shall be more than six and one-half (6 1/2) inches in length, they shall be taxable at the rate provided in subdivision (1), counting each two and three-fourths (2 3/4) inches (or fraction thereof) as a separate cigarette.

SECTION 82. IC 6-7-2-7, AS AMENDED BY P.L.236-2023, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. (a) A tax is imposed on the distribution of tobacco products in Indiana at the following rates:

(1) ~~Twenty-four percent (24%)~~ **Forty-four percent (44%)** of the wholesale price of tobacco products other than moist snuff.

(2) For moist snuff, ~~forty cents (\$0.40)~~ **seventy-four cents (\$0.74)** per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce. If the tax calculated for a fractional part of an ounce carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(3) ~~For cigars twenty-four percent (24%)~~ **Forty-four percent (44%)** of the wholesale price of a cigar. However the tax imposed per cigar shall not exceed ~~one dollar (\$1)~~ **three dollars (\$3)**.

(b) A tax is imposed on the distribution of alternative nicotine products in Indiana at a rate of forty cents (\$0.40) per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce, calculated based upon the product weight as listed by the manufacturer. If the tax calculated for a fractional part of an ounce carried to the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(c) The distributor of the tobacco products or alternative nicotine products is liable for the tax imposed under subsections (a) or (b). The tax is imposed at the time the distributor:

(1) brings or causes tobacco products or alternative nicotine products to be brought into Indiana for distribution;

(2) manufactures tobacco products or alternative nicotine products in Indiana for distribution;

(3) transports tobacco products or alternative nicotine products to retail dealers in Indiana for resale by those retail dealers; or

(4) first receives the tobacco products or alternative nicotine products in Indiana in the case of a distributor or distributor transactions.

(d) The Indiana general assembly finds that the tax rate on smokeless tobacco should reflect the relative risk between such products and cigarettes.

(e) A consumer who purchases untaxed tobacco products or alternative nicotine products from a distributor or retailer is liable for the tax imposed under subsections (a) or (b).

SECTION 83. IC 6-7-4-9, AS AMENDED BY P.L.118-2024, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 9. (a) An excise tax, known as the electronic cigarette tax, is imposed on the retail sale of consumable material and vapor products in Indiana.

(b) The electronic cigarette tax equals ~~fifteen percent (15%)~~ **twenty-six percent (26%)** of the gross retail income received by the retail dealer for the sale.

(c) The person who acquires consumable material or vapor products in a retail transaction is liable for the tax on the transaction, and, except as otherwise incorporated in this chapter, shall pay the tax to the retail dealer as a separate added amount to the consideration in the transaction. A retail dealer that either:

(1) has a physical presence in Indiana, as described in IC 6-2.5-2-1(c); or

(2) meets the threshold in IC 6-2.5-2-1(d);

shall collect and remit the tax as an agent for the state.

(d) If the tax is not collected by the retail dealer, the consumer is responsible to remit the tax to the department. A retail dealer that is required to collect and remit tax under this chapter is jointly and severally liable for uncollected tax absent proof of exemption or payment by the purchaser.

(e) Before the fifteenth day of each month, each retail dealer liable for the collection and remittance of the tax imposed by this chapter shall:

(1) file a return with the department that includes all information required by the department including, but not limited to:

(A) the name of the retail dealer;

(B) the address of the retail dealer; and

(C) the certificate number of the retail dealer's electronic cigarette retail dealer's certificate; and

(2) pay the tax for which it is liable under this chapter for the preceding month.

All returns required to be filed and taxes required to be paid under this chapter must be made in an electronic format prescribed by the department.

(f) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration apply to the imposition and administration of the tax imposed under this section, except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter.

(g) A marketplace facilitator (as defined in IC 6-2.5-1-21.9) who is considered a retail merchant under IC 6-2.5-4-18 for a transaction to

- 1 which this chapter applies shall collect and remit electronic cigarette
- 2 taxes imposed on the retail transaction."
- 3 Renumber all SECTIONS consecutively.
(Reference is to EHB 1001 as printed April 11, 2025.)

Senator YODER