By: Hamric

H.B. No. 5

A BILL TO BE ENTITLED 1 AN ACT 2 relating to increases in the taxes on cigarettes and other tobacco 3 products. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 5 SECTION 1. Section 154.021(b), Tax Code, is amended to read 6 as follows: (b) The tax rates are: 7 \$70.50 [\$20.50] per thousand on cigarettes 8 (1)weighing three pounds or less per thousand; and 9 (2) the rate provided by Subdivision (1) plus \$2.10 10 11 per thousand on cigarettes weighing more than three pounds per 12 thousand. 13 SECTION 2. Section 155.0211(b), Tax Code, is amended to 14 read as follows: (b) The tax rate for tobacco products other than cigars is 15 40 [35.213] percent of the manufacturer's list price, exclusive of 16 any trade discount, special discount, or deal. 17 18 SECTION 3. The changes in law made by this Act do not affect tax liability accruing before the effective date of this Act. That 19 liability continues in effect as if this Act had not been enacted, 20 21 and the former law is continued in effect for the collection of 22 taxes due and for civil and criminal enforcement of the liability 23 for those taxes. SECTION 4. This Act takes effect September 1, 2006. 24

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