

As Introduced

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H. B. No. 572

Representative Yates

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A B I L L

To amend sections 3701.84, 5743.51, 5743.62, and 1
5743.63 and to enact section 5743.511 of the 2
Revised Code to create the Center for Tobacco Use 3
Prevention in the Department of Health to exercise 4
duties of the former Tobacco Use Prevention and 5
Control Foundation that were transferred to the 6
Department, and to fund the Center's operations 7
with an increased rate of tax on noncigarette 8
tobacco products. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3701.84, 5743.51, 5743.62, and 10
5743.63 be amended and section 5743.511 of the Revised Code be 11
enacted to read as follows: 12

Sec. 3701.84. There is hereby created the center for tobacco 13
use prevention within the department of health. The ~~department of~~ 14
~~health may~~ center shall prepare a plan to reduce tobacco use by 15
Ohioans, with emphasis on reducing the use of tobacco by youth, 16
minority and regional populations, pregnant women, and others who 17
may be disproportionately affected by the use of tobacco. The plan 18
may provide for periodic surveys to measure tobacco use and 19
behavior toward tobacco use by Ohioans. ~~If the department prepares~~ 20

~~a plan, copies~~ Copies of the plan shall be available to the public. 21
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The plan may also describe youth tobacco consumption prevention programs to be eligible for consideration for grants from the ~~department~~ center and may set forth the criteria by which applications for grants for such programs will be considered by the ~~department~~ center. Programs eligible for consideration may include: 23
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(A) ~~Media campaigns directed to youth to prevent underage tobacco consumption;~~ 29
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~~(B)~~ School-based education programs to prevent youth tobacco consumption; 31
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~~(C)~~(B) Community-based youth programs involving youth tobacco consumption prevention through general youth development; 33
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~~(D)~~(C) Retailer education and compliance efforts to prevent youth tobacco consumption; 35
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~~(E)~~(D) Mentoring programs designed to prevent or reduce tobacco use by students. 37
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Pursuant to the plan, the ~~department~~ may center shall carry out, or provide funding for private or public agencies to carry out, research and programs related to tobacco use prevention and cessation. ~~If the department provides such funding, the department~~ The center shall establish an objective process to determine which research and program proposals to fund. When appropriate, proposals for research shall be peer-reviewed. No program shall be carried out or funded by the ~~department~~ center unless there is research that indicates that the program is likely to achieve the results desired. All research and programs funded by the ~~department~~ center shall be goal-oriented and independently and objectively evaluated annually on whether it is meeting its goals. The ~~department~~ center shall contract for such evaluations, and the 39
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department shall adopt rules under Chapter 119. of the Revised 52
Code regarding conflicts of interest in the research and programs 53
~~it~~ the center funds. 54

The ~~department~~ center shall endeavor to coordinate its 55
research and programs with the efforts of other agencies of this 56
state to reduce tobacco use by Ohioans. Any state agency that 57
conducts a survey that measures tobacco use or behavior toward 58
tobacco use by Ohioans shall share the results of the survey with 59
the ~~department~~ center. 60

The center's operating and other expenses shall be paid from 61
money appropriated from the tobacco use prevention and cessation 62
fund created by section 5743.511 of the Revised Code, and from any 63
other sources authorized by law. 64

The department may adopt rules under Chapter 119. of the 65
Revised Code as necessary to implement this section. 66

Sec. 5743.51. (A) To provide revenue for the general revenue 67
fund of the state and the tobacco use prevention and cessation 68
fund established under section 5743.511 of the Revised Code, an 69
excise tax on tobacco products is hereby levied at the rate of 70
~~seventeen~~ fifty-four and eight-tenths per cent of the wholesale 71
price of the tobacco product received by a distributor or sold by 72
a manufacturer to a retail dealer located in this state. Each 73
distributor who brings tobacco products, or causes tobacco 74
products to be brought, into this state for distribution within 75
this state, or any out-of-state distributor who sells tobacco 76
products to wholesale or retail dealers located in this state for 77
resale by those wholesale or retail dealers is liable for the tax 78
imposed by this section. Only one sale of the same article shall 79
be used in computing the amount of the tax due. 80

(B) The treasurer of state shall place to the credit of the 81
tax refund fund created by section 5703.052 of the Revised Code, 82

out of the receipts from the tax levied by this section, amounts 83
equal to the refunds certified by the tax commissioner pursuant to 84
section 5743.53 of the Revised Code. The treasurer shall place to 85
the credit of the tobacco use prevention and cessation fund 86
created by section 5743.511 of the Revised Code an amount equal to 87
sixty-nine per cent of the receipts from the tax levied by this 88
section. The balance of the taxes collected under this section 89
shall be paid into the general revenue fund. 90

(C) The commissioner may adopt rules as are necessary to 91
assist in the enforcement and administration of sections 5743.51 92
to 5743.66 of the Revised Code, including rules providing for the 93
remission of penalties imposed. 94

(D) A manufacturer is not liable for payment of the tax 95
imposed by this section for sales of tobacco products to a retail 96
dealer that has filed a signed statement with the manufacturer in 97
which the retail dealer agrees to pay and be liable for the tax, 98
as long as the manufacturer has provided a copy of the statement 99
to the tax commissioner. 100

Sec. 5743.511. For the purposes of preventing tobacco use, 101
encouraging cessation of tobacco use by Ohioans, and implementing 102
section 3701.84 of the Revised Code, there is hereby created in 103
the state treasury the tobacco use prevention and cessation fund. 104
The fund shall consist of money credited to it under sections 105
5743.51, 5743.62, and 5743.63 of the Revised Code and from any 106
other source authorized by law. 107

Sec. 5743.62. (A) To provide revenue for the general revenue 108
fund of the state and the tobacco use prevention and cessation 109
fund, an excise tax is hereby levied on the seller of tobacco 110
products in this state at the rate of seventeen fifty-four and 111
eight-tenths per cent of the wholesale price of the tobacco 112

product whenever the tobacco product is delivered to a consumer in 113
this state for the storage, use, or other consumption of such 114
tobacco products. The tax imposed by this section applies only to 115
sellers having nexus in this state, as defined in section 5741.01 116
of the Revised Code. 117

(B) A seller of tobacco products who has nexus in this state 118
as defined in section 5741.01 of the Revised Code shall register 119
with the tax commissioner and supply any information concerning 120
the seller's contacts with this state as may be required by the 121
tax commissioner. A seller who does not have nexus in this state 122
may voluntarily register with the tax commissioner. A seller who 123
voluntarily registers with the tax commissioner is entitled to the 124
same benefits and is subject to the same duties and requirements 125
as a seller required to be registered with the tax commissioner 126
under this division. 127

(C) Each seller of tobacco products subject to the tax levied 128
by this section, on or before the last day of each month, shall 129
file with the tax commissioner a return for the preceding month 130
showing any information the tax commissioner finds necessary for 131
the proper administration of sections 5743.51 to 5743.66 of the 132
Revised Code, together with remittance of the tax due, payable to 133
the treasurer of state. The return and payment of the tax required 134
by this section shall be filed in such a manner that it is 135
received by the tax commissioner on or before the last day of the 136
month following the reporting period. If the return is filed and 137
the amount of the tax shown on the return to be due is paid on or 138
before the date the return is required to be filed, the seller is 139
entitled to a discount equal to two and five-tenths per cent of 140
the amount shown on the return to be due. 141

(D) The tax commissioner shall immediately forward to the 142
treasurer of state all money received from the tax levied by this 143
section⁷. The treasurer shall credit to the tobacco use prevention 144

and cessation fund created by section 5743.511 of the Revised Code 145
an amount equal to sixty-nine per cent of the receipts from the 146
tax levied by this section and ~~the treasurer~~ shall credit the 147
~~amount~~ balance to the general revenue fund. 148

(E) Each seller of tobacco products subject to the tax levied 149
by this section shall mark on the invoices of tobacco products 150
sold that the tax levied by that section has been paid and shall 151
indicate the seller's account number as assigned by the tax 152
commissioner. 153

Sec. 5743.63. (A) To provide revenue for the general revenue 154
fund of the state and the tobacco use prevention and cessation 155
fund, an excise tax is hereby levied on the storage, use, or other 156
consumption of tobacco products at the rate of ~~seventeen~~ 157
fifty-four and eight-tenths per cent of the wholesale price of the 158
tobacco product, provided the tax has not been paid by the seller 159
as provided in section 5743.62 of the Revised Code, or by the 160
distributor as provided in section 5743.51 of the Revised Code. 161

(B) Each person subject to the tax levied by this section, on 162
or before the last day of each month, shall file with the tax 163
commissioner a return for the preceding month showing any 164
information the tax commissioner finds necessary for the proper 165
administration of sections 5743.51 to 5743.66 of the Revised Code, 166
together with remittance of the tax due, payable to the treasurer 167
of state. The return and payment of the tax required by this 168
section shall be filed in such a manner that it is received by the 169
tax commissioner on or before the last day of the month following 170
the reporting period. 171

(C) The tax commissioner shall immediately forward to the 172
treasurer of state all money received from the tax levied by this 173
section⁷. The treasurer shall credit to the tobacco use prevention 174
and cessation fund created by section 5743.511 of the Revised Code 175

an amount equal to sixty-nine per cent of the receipts from the 176
tax levied by this section and ~~the treasurer~~ shall credit the 177
~~amount~~ balance of those receipts to the general revenue fund. 178

Section 2. That existing sections 3701.84, 5743.51, 5743.62, 179
and 5743.63 of the Revised Code are hereby repealed. 180