

REFERENCE TITLE: luxury tax; cavendish; definition

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

SB 1347

Introduced by
Senator Gowan

AN ACT

AMENDING SECTION 42-3001, ARIZONA REVISED STATUTES; RELATING TO LUXURY
PRIVILEGE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-3001, Arizona Revised Statutes, is amended to
3 read:

4 42-3001. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Affix" and "affixed" include imprinting tax meter stamps on
7 packages and individual containers as authorized by the department.

8 2. "Brand family" has the same meaning prescribed in section
9 44-7111.

10 3. "CAVENDISH" MEANS A TOBACCO OR TOBACCO BLEND THAT IS SMOKED FROM
11 A PIPE AND THAT MEETS ALL OF THE FOLLOWING CRITERIA:

12 (a) HAS A MOISTURE CONTENT THAT EXCEEDS TWENTY PERCENT OF ITS
13 WEIGHT AT THE TIME OF PACKAGING BY THE MANUFACTURER.

14 (b) CONTAINS AT LEAST FIVE PERCENT PROPYLENE OR GLYCERIN.

15 (c) HAS BEEN CURED DURING MANUFACTURING.

16 ~~3.~~ 4. "Cider" means vinous liquor that is made from the normal
17 alcoholic fermentation of the juice of sound, ripe apples, pears or other
18 pome fruit, including flavored, sparkling and carbonated cider and cider
19 made from condensed apple, pear or other pome fruit must, and that
20 contains more than one-half of one percent of alcohol by volume but not
21 more than seven percent of alcohol by volume.

22 ~~4.~~ 5. "Cigar" means any roll of tobacco wrapped in leaf tobacco or
23 in any substance containing tobacco other than any roll of tobacco that is
24 a cigarette, as defined in paragraph ~~5~~ 6, subdivision (b) of this
25 section.

26 ~~5.~~ 6. "Cigarette" means either of the following:

27 (a) Any roll of tobacco wrapped in paper or any substance not
28 containing tobacco.

29 (b) Any roll of tobacco wrapped in any substance containing tobacco
30 that, because of its appearance, the type of tobacco used in the filler or
31 its packaging and labeling, is likely to be offered to or purchased by a
32 consumer as a cigarette described in subdivision (a) of this paragraph.
33 This subdivision shall be interpreted consistently with the classification
34 guidelines established by the federal alcohol and tobacco tax and trade
35 bureau.

36 ~~6.~~ 7. "Consumer" means a person in this state that comes into
37 possession of any luxury subject to the tax imposed by this chapter and
38 that, on coming into possession of the luxury, is not a distributor
39 intending to sell or distribute the luxury, retailer or wholesaler.

40 ~~7.~~ 8. "Craft distiller" means a distiller in the United States or
41 in a territory or possession of the United States that holds a license
42 pursuant to section 4-205.10.

43 9. "DELIVERY" MEANS THE ACT OF DELIVERING TAXED TOBACCO PRODUCTS BY
44 A LICENSED DISTRIBUTOR, CARRIED OUT BY A COMMON CARRIER OR AN EMPLOYEE OF
45 THE LICENSED DISTRIBUTOR IN THE EMPLOYEE'S OWN MOTOR VEHICLE, TO A

1 LICENSED RETAILER PURSUANT TO A LAWFUL SALE OR ORDER, WHETHER THE RETAILER
2 PLACES THE ORDER IN ADVANCE OR AT THE TIME OF DELIVERY.

3 ~~8.~~ 10. "Distributor" means any person that manufactures, produces,
4 ships, transports or imports into this state or in any manner acquires or
5 possesses for the purpose of making the first sale of the following:

6 (a) Cigarettes without Arizona tax stamps affixed as required by
7 this article.

8 (b) Roll-your-own tobacco or other tobacco products on which the
9 taxes have not been paid as required by this chapter.

10 ~~9.~~ 11. "Farm winery" has the same meaning prescribed in section
11 4-101.

12 ~~10.~~ 12. "First sale" means the initial sale or distribution in
13 intrastate commerce or the initial use or consumption of cigarettes,
14 roll-your-own tobacco or other tobacco products.

15 ~~11.~~ 13. "Luxury" means any article, object or device on which a
16 tax is imposed under this chapter.

17 ~~12.~~ 14. "Malt liquor" means any liquid that contains more than
18 one-half of one percent alcohol by volume and that is made by the process
19 of fermentation and not distillation of hops or grains, but not including:

20 (a) Liquids made by the process of distillation of such substances.

21 (b) Medicines that are unsuitable for beverage purposes.

22 ~~13.~~ 15. "Master settlement agreement" has the same meaning
23 prescribed in section 44-7101.

24 ~~14.~~ 16. "Microbrewery" has the same meaning prescribed in section
25 4-101.

26 ~~15.~~ 17. "Nonparticipating manufacturer" has the same meaning
27 prescribed in section 44-7111.

28 ~~16.~~ 18. "Other tobacco products" means tobacco products other than
29 cigarettes and roll-your-own tobacco.

30 ~~17.~~ 19. "Participating manufacturer" has the same meaning
31 prescribed in section 44-7111.

32 ~~18.~~ 20. "Person" means any individual, firm, partnership, joint
33 venture, association, corporation, municipal corporation, estate, trust,
34 club, society or other group or combination acting as a unit, and the
35 plural as well as the singular number.

36 ~~19.~~ 21. "Place of business" means a building, facility site or
37 location where an order is received or where tobacco products are sold,
38 distributed or transferred. Place of business does not include a vehicle.

39 ~~20.~~ 22. "Retailer" means any person that comes into possession of
40 any luxury subject to the taxes imposed by this chapter for the purpose of
41 selling it for consumption and not for resale.

42 ~~21.~~ 23. "Roll-your-own tobacco" means any tobacco that, because of
43 its appearance, type, packaging or labeling, is suitable for use and
44 likely to be offered to or purchased by consumers as tobacco for making
45 cigarettes. This paragraph shall be interpreted consistently with the

1 term as used in section 44-7101. This paragraph shall be interpreted
2 consistently with the classification guidelines established by the federal
3 alcohol and tobacco tax and trade bureau.

4 ~~22.~~ 24. "Smoking tobacco" means any tobacco that, because of its
5 appearance, type, packaging, labeling or promotion, is suitable for use
6 and likely to be offered to or purchased by consumers as tobacco for
7 making cigarettes or otherwise consumed by burning. Smoking tobacco
8 includes pipe tobacco and roll-your-own tobacco.

9 ~~23.~~ 25. "Spirituous liquor" means any liquid that contains more
10 than one-half of one percent alcohol by volume, that is produced by
11 distillation of any fermented substance and that is used or prepared for
12 use as a beverage. Spirituous liquor does not include medicines that are
13 unsuitable for beverage purposes.

14 ~~24.~~ 26. "Tobacco product manufacturer" has the same meaning
15 prescribed in section 44-7101.

16 ~~25.~~ 27. "Tobacco products" means all luxuries included in section
17 42-3052, paragraphs 5 through 9.

18 ~~26.~~ 28. "Vehicle" means a device in, on or by which a person or
19 property is or may be transported or drawn on the roads of this state
20 regardless of the means by which it is propelled or whether it runs on a
21 track.

22 ~~27.~~ 29. "Vinous liquor" means any liquid that contains more than
23 one-half of one percent alcohol by volume and that is made by the process
24 of fermentation of grapes, berries, fruits, vegetables or other substances
25 but does not include:

26 (a) Liquids in which hops or grains are used in the process of
27 fermentation.

28 (b) Liquids made by the process of distillation of hops or grains.

29 (c) Medicines that are unsuitable for beverage purposes.

30 ~~28.~~ 30. "Wholesaler" means a person that sells any spirituous,
31 vinous or malt liquor taxed under this chapter to retail dealers or for
32 the purposes of resale only.