

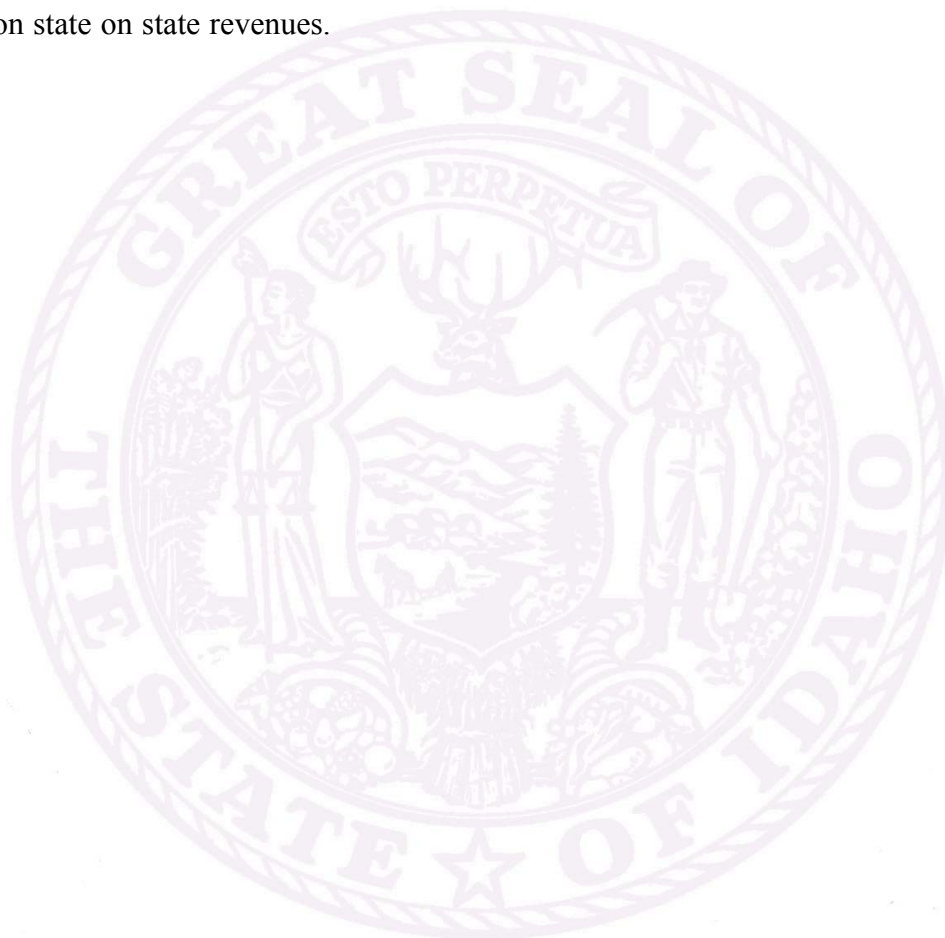
STATEMENT OF PURPOSE

RS24040

The purpose of this legislation is to modernize and update bonding requirements for a person applying for a permit to become a cigarette wholesaler. The new requirements would require a bond amount to be the greater of twice the estimated average tax liability for the reporting period or the value of stamps in the wholesaler's inventory including the value of stamps ordered but not received. In lieu of a bond, a wholesaler would have the option to pay the full value of the stamps in advance. The existing \$1,000 minimum bond requirement is deleted.

FISCAL NOTE

No effect on state on state revenues.



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