

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0079.01 Alison Killen x4350

SENATE BILL 24-102

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SENATE SPONSORSHIP

Sullivan,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE TAXATION OF PREMIUM CIGARS, AND, IN  
102 CONNECTION THEREWITH, CAPPING THE STATUTORY TAX ON  
103 PREMIUM CIGARS AT TWENTY PERCENT.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Effective July 1, 2024, the bill defines "premium cigars" and reduces the statutory rate of taxation of this particular tobacco product from the current rates for all non-cigarette tobacco products other than moist snuff of 36% of the manufacturer's list price (MLP) from July 1, 2024, through June 30, 2027, and 42% of the MLP on and after July 1,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

2027, to 20% of the MLP, effectively rolling back the increases in the statutory taxation rate for such tobacco products since 2005. The bill does not affect taxation of premium cigars under section 21 of article X of the state constitution, which imposes an additional 20% tax.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 39-28.5-101, **add**  
3 (9.5) as follows:

4           **39-28.5-101. Definitions.** As used in this article 28.5, unless the  
5 context otherwise requires:

6           (9.5) "PREMIUM CIGAR" MEANS A CIGAR THAT IS ROLLED BY HAND,  
7 HAS A WRAPPER MADE OF WHOLE TOBACCO LEAVES, AND DOES NOT HAVE  
8 EITHER A FILTER OR A MOUTHPIECE.

9           **SECTION 2.** In Colorado Revised Statutes, 39-28.5-102, **amend**  
10 (1) introductory portion; and **add** (6) as follows:

11           **39-28.5-102. Tax levied - repeal.** (1) Except as set forth in  
12 ~~subsection (3)~~ SUBSECTIONS (3) AND (6) of this section, there is levied a  
13 tax upon the sale, use, consumption, handling, or distribution of all  
14 tobacco products in this state, excluding modified risk tobacco products,  
15 at the rate of:

16           (6) THE TAX IMPOSED UPON THE SALE, USE, CONSUMPTION,  
17 HANDLING, OR DISTRIBUTION OF PREMIUM CIGARS PURSUANT TO  
18 SUBSECTION (1) OF THIS SECTION IS TWENTY PERCENT OF THE  
19 MANUFACTURER'S LIST PRICE OF THE PREMIUM CIGARS.

20           **SECTION 3. Effective date - applicability.** This act takes effect  
21 July 1, 2024, and applies to the sale, use, consumption, handling, or  
22 distribution of premium cigars on or after said date.

23           **SECTION 4. Safety clause.** The general assembly finds,

1 determines, and declares that this act is necessary for the immediate  
2 preservation of the public peace, health, or safety or for appropriations for  
3 the support and maintenance of the departments of the state and state  
4 institutions.