

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

FILED SENATE
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S.B. 144
PRINCIPAL CLERK

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SENATE BILL DRS35062-NIF-15

Short Title: Common Sense Distribution Licensing. (Public)

Sponsors: Senators Johnson and Sawrey (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REMOVE THE LICENSING REQUIREMENT FOR DELIVERY SELLERS
MAKING DELIVERY SALES OF NON-TAX-PAID CIGARETTES, TO REMOVE THE
LICENSING REQUIREMENT FOR DELIVERY SELLERS OR REMOTE SELLERS
MAKING DELIVERY SALES OR REMOTE SALES OF NON-TAX-PAID TOBACCO
PRODUCTS, AND TO CREATE A DISTINCT LICENSE TYPE FOR VAPOR
PRODUCTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-113.12 reads as rewritten:

"§ 105-113.12. License required.

(a) A distributor must obtain a license for each of the locations listed in this subsection, as applicable, and must pay a tax of twenty-five dollars (\$25.00) for each license. A license is in effect until June 30 of the year following the second calendar year after the date of issuance or renewal. A license is renewable upon signed application with no renewal license tax, unless applied for after the June 30 expiration date. The locations are:

(1) Each location where a distributor receives or stores non-tax-paid cigarettes in this State.

(2) For a distributor that is a delivery seller, each location from which the distributor ~~ships-receives or stores non-tax-paid cigarettes for~~ delivery sales of cigarettes if the location is a location other than the location described in subdivision (1) of this subsection.

(b) Repealed by Session Laws 2021-180, s. 42.9(d), effective July 1, 2022, and applicable to sales or purchases occurring on or after that date.

(c) An out-of-state distributor that is not a delivery seller may obtain a distributor's license upon compliance with the provisions of G.S. 105-113.4A and G.S. 105-113.24 and payment of a tax of twenty-five dollars (\$25.00)."

SECTION 2. G.S. 105-113.39A reads as rewritten:

"§ 105-113.39A. License required.

(a) Requirement. – A wholesale dealer or a retail dealer must obtain from the Secretary a license ~~for each of the locations listed in this subsection, as applicable, in accordance with subsections (a1) and (a2) of this section,~~ and must pay the required license tax for each license. A license is in effect until June 30 of the year following the second calendar year after the date of issuance or renewal, unless cancelled or revoked prior to expiration. A license is renewable upon signed application with no renewal license tax, unless applied for after the June 30 expiration date. ~~The locations are:~~



* D R S 3 5 0 6 2 - N I F - 1 5 *

1 (a1) Other Tobacco Products License. – A wholesale dealer or a retail dealer must obtain
2 an other tobacco products license for all of the following locations:

3 (1) Each location where a wholesale dealer makes tobacco ~~products-products~~
4 other than vapor products.

5 (2) Each location where a wholesale dealer or a retail dealer receives or stores
6 non-tax-paid tobacco ~~products-products~~ other than vapor products.

7 (3) Each location from where a retail dealer that is a delivery seller or remote
8 seller ~~ships-receives~~ or stores non-tax-paid tobacco products for delivery sales
9 or remote sales of tobacco products other than vapor products if the location
10 is a location other than the location described in subdivision (2) of this
11 subsection.

12 (a2) Vapor Products License. – A wholesale dealer or a retail dealer must obtain a vapor
13 products license for all of the following locations:

14 (1) Each location where a wholesale dealer makes vapor products.

15 (2) Each location where a wholesale dealer or a retail dealer receives or stores
16 non-tax-paid vapor products.

17 (3) Each location from where a retail dealer that is a delivery seller or remote
18 seller receives or stores non-tax-paid vapor products for delivery sales if the
19 location is a location other than the location described in subdivision (2) of
20 this subsection.

21 (b) License Tax Amount. – The license tax amounts are as follows:

22 (1) Wholesale dealer \$25.00

23 (2) Retail dealer \$10.00

24 (c) Out-of-State Wholesale Dealers. – An out-of-state wholesale dealer of tobacco
25 products that is not a delivery seller or a remote seller may obtain a wholesale dealer's license
26 upon compliance with the provisions of G.S. 105-113.4A and payment of a tax of twenty-five
27 dollars (\$25.00)."

28 **SECTION 3.** This act becomes effective October 1, 2023.