

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or refdesk@njstatelib.org

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 1999, CHAPTER 328, *approved January 6, 2000*
Assembly, No. 3250 (*First Reprint*)

1 **AN ACT** concerning the tax regulation and sale of reimported cigarettes,
2 amending P.L.1948, c.65, P.L.1977, c.188, P.L.1968, c.351 and
3 P.L.1952, c.247.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 405 of P.L.1948, c.65 (C.54:40A-15) is amended to
9 read as follows:

10 405. a. Distributors to affix stamps.

11 Unless stamps have been previously affixed, the stamps required
12 by this act shall be affixed to packages of cigarettes and canceled by the
13 licensed distributor within twenty-four hours of the receipt of all
14 unstamped cigarettes, exclusive of Saturdays, Sundays and legal holidays,
15 and prior to any and all deliveries except deliveries to points outside the
16 State, deliveries by manufacturers to licensed distributors and those
17 deliveries which this State is prohibited from taxing under the
18 Constitution or the statutes of the United States.

19 b. Cigarette packages to which stamps shall not be affixed.

20 A distributor shall not affix a stamp to a package of cigarettes if
21 the package:

22 (1) Does not comply with the "Federal Cigarette Labeling and
23 Advertising Act," 15 U.S.C.s.1331 et seq., for the placement of labels,
24 warnings or any other information for a package of cigarettes to be sold
25 within the United States;

26 (2) is labeled "For Export Only," "U.S. Tax Exempt," "For use
27 Outside U.S.," or other wording indicating that the manufacturer did not
28 intend that the product be sold in the United States;

29 (3) has been altered by adding or deleting wording, labels, or
30 warnings described in paragraph (1) or paragraph (2) of this subsection;

31 (4) has been imported into the United States after January 1, 2000
32 in violation of 26 U.S.C.s.5754;

33 (5) in any way violates federal trademark or copyright laws.

34 (cf: P.L.1952, c.246, s.6)

35

36 2. Section 406 of P.L.1948, c.65 (C.54:40A-16) is amended to
37 read as follows:

38 406. Wholesale dealers and retail dealers shall not accept
39 deliveries of unstamped or illegally stamped cigarettes.

40 Wholesale dealers and retail dealers shall not accept deliveries of
41 unstamped or illegally stamped cigarettes. All packages of cigarettes shall

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted December 2, 1999.

1 be examined by wholesale and retail dealers immediately upon their receipt
2 and they shall immediately return any and all unstamped and illegally
3 stamped cigarettes to the vendor or consignor thereof or to a common
4 carrier for return to such vendor or consignor. Unless substantial
5 evidence to the contrary be shown, the possession of any unstamped or
6 illegally stamped cigarettes by a wholesale or retail dealer shall be prima
7 facie evidence that such cigarettes were possessed in violation of the
8 provisions of this act. The director may, however, in ~~his~~the director's
9 discretion and subject to such conditions as ~~he~~the director may
10 prescribe, authorize wholesale dealers and retail dealers to acquire and
11 have in their possession cigarettes bearing cigarette revenue stamps of
12 other states, provided such cigarettes are intended for sale or other
13 disposition in those states.

14 (cf: P.L.1954, c.225, s.2)

15

16 3. Section 602 of P.L.1948, c.65 (C.54:40A-25) is amended to
17 read as follows:

18 602. Possessing cigarettes not bearing required revenue stamps.

19 Any wholesale dealer or retail dealer who violates the provisions
20 of section four hundred six of this act, and any consumer who fails to
21 report and remit the tax due as provided by section two hundred five of
22 this act, shall be liable to a penalty of not more than twenty-five dollars
23 (\$25) for each individual carton of unstamped or illegally stamped
24 cigarettes in ~~his~~the dealer's possession, which penalty shall be sued for
25 and recovered in the same manner as provided for the penalties imposed
26 by section six hundred one of this act.

27 (cf: P.L.1951, c.281, s.2)

28

29 4. Section 605 of P.L.1948, c.65 (C.54:40A-28) is amended to
30 read as follows:

31 605. Any person who sells cigarettes without the stamp or stamps
32 required by this act being affixed thereto or cigarettes stamped in violation
33 of subsection b. of section 405 of P.L.1948, c.65 (C.54:40A-15) shall be
34 guilty of a misdemeanor and, upon conviction thereof, shall be fined not
35 more than \$1,000, or imprisoned for not more than 1 year, or both, at the
36 discretion of the court.

37 (cf: P.L.1977, c.188, s.1)

38

39 5. Section 2 of P.L.1977, c.188 (C.54:40A-28.1) is amended to
40 read as follows:

41 2. Any person, other than a licensee permitted under this act to
42 possess any unstamped cigarettes, who possesses 2,000 but ~~less~~fewer
43 than 20,000 cigarettes without the stamp or stamps required by this act
44 being affixed thereto or stamped in violation of subsection b. of section
45 405 shall be a disorderly person, and upon conviction thereof, shall be
46 fined not more than \$500 or imprisoned for not more than 6 months, or

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted December 2, 1999.

1 both, at the discretion of the court; and any such person who possesses
2 20,000 or more cigarettes without the stamp or stamps required by this
3 act being affixed thereto or stamped in violation of subsection b. of
4 section 405 of P.L.1948, c.65 (C.54:40A-15) shall be guilty of a
5 misdemeanor, and upon conviction thereof, shall be fined not more than
6 \$1,000 or imprisoned for not more than 1 year, or both, at the discretion
7 of the court.

8 (cf: P.L.1977, c.188, s.2)

9
10 6. Section 607 of P.L.1948, c.65 (C.54:40A-30) is amended to
11 read as follows:

12 607. Unstamped cigarettes subject to confiscation.

13 a. All cigarettes, subject to the tax imposed by this act, to which
14 stamps have not been affixed, as required by this act, and all cigarettes
15 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
16 (C.54:40A-15) found in any place in this State are declared to be ¹prima
17 facie¹ contraband goods and may be seized by the director, **[his]** the
18 director's agents or employees, or by any peace officer of this State, when
19 directed by the director so to do, without a warrant.

20 b. The director may upon satisfactory proof direct the return of
21 any unstamped confiscated cigarettes when **[he]** the director shall have
22 reason to believe that the owner thereof has not willfully or intentionally
23 evaded any tax imposed by this act. Any unstamped cigarettes seized
24 under the provisions of this act shall be disposed of according to law.
25 Any purchaser of such cigarettes shall be required to affix stamps as
26 required by this act.

27 c. The director shall destroy any seized cigarettes that have been
28 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
29 (C.54:40A-15); provided however that as an alternative the director may
30 resell such cigarettes to the manufacturer, but such cigarettes shall be
31 resold only for export ¹or destruction¹.

32 d. The seizure and sale of any cigarettes under the provisions of
33 this section shall not relieve any person from a fine, imprisonment or
34 other penalty for violation of any of the provisions of this act. The
35 director, **[his]** the director's agents, employees, and any peace officer of
36 this State, when directed so to do, shall not in any way be responsible in
37 any court for the seizure or the confiscation of any unstamped or illegally
38 stamped packages of cigarettes.

39 (cf: P.L.1948, c.65, s. 607)

40
41 7. Section 9 of P.L.1968, c. 351 (C.54:40A-32.1) is amended to
42 read as follows:

43 9. Any cigarette vending machine not bearing a proper license or
44 identification, or which is found to contain unstamped packages of
45 cigarettes, or cigarettes bearing counterfeit impressions, or cigarettes
46 stamped in violation of subsection b. of section 405 of P.L.1948, c.65

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ **Assembly ACT committee amendments adopted December 2, 1999.**

1 (C.54:40A-15), may be seized or sealed by the director, **[his]** the
2 director's agents or employees or by any peace officer of this State, when
3 directed by the director so to do. If the owner or **[his]** the owner's agent
4 destroys or removes said seal, **[he]** that individual may, upon conviction,
5 be subject to a penalty of not more than \$250. Any vending machine
6 containing unstamped or counterfeit stamped cigarettes may be declared
7 forfeited to the director.

8 (cf: P.L.1968, c.351, s.9)

9

10 8. Section 3 of P.L.1952, c.247 (C.56:7-20) is amended to read
11 as follows:

12 3. It shall be unlawful and a violation of this act:

13 a. For any retailer ¹**[or]**, ¹wholesaler ¹or distributor¹ with intent
14 to injure competitors or destroy or substantially lessen competition--

15 (1) to advertise, offer to sell, or sell, at retail or wholesale,
16 cigarettes at less than cost to such retailer or wholesaler, as the case may
17 be,

18 (2) to offer a rebate in price, to give a rebate in price, to offer a
19 concession of any kind, or to give a concession of any kind or nature
20 whatsoever in connection with the sale of cigarettes;

21 b. For any retailer ¹wholesaler or distributor¹--

22 (1) to induce or attempt to induce or to procure or attempt to
23 procure the purchase of cigarettes at a price less than "cost to wholesaler"
24 as defined in this act,

25 (2) to induce or attempt to induce or to procure or attempt to
26 procure any rebate or concession of any kind or nature whatsoever in
27 connection with the purchase of cigarettes,

28 (3) to sell, with or without a stamp, cigarette packages described
29 in subsection b. of section 405 of P.L.1948, c.65 (C.54:40A-15).

30 c. Any retailer ¹**[or]**, ¹wholesaler ¹or distributor¹ who violates
31 the provisions of this section is a disorderly person and shall be prosecuted
32 and punished by a fine of not more than \$1,000 for each offense, in
33 accordance with the provisions of Title 2C of the New Jersey Statutes.

34 d. Evidence of advertisement, offering to sell or sale of cigarettes
35 by any retailer, ¹**[or]**¹ wholesaler ¹or distributor¹ at less than cost to him,
36 or evidence of any offer of a rebate in price or the giving of a rebate in
37 price or an offer of a concession or the giving of a concession of any kind
38 or nature whatsoever in connection with the sale of cigarettes or the
39 inducing or attempt to induce or the procuring or the attempt to procure
40 the purchase of cigarettes at a price less than cost to the wholesaler ¹**[or**
41 **the]**,¹ retailer ¹or distributor¹ shall be prima facie evidence of intent to
42 injure competitors and to destroy or

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted December 2, 1999.

1 substantially lessen competition.

2 (cf: P.L.1987, c.37, s.4)

3

4 ¹9. Section 609 of P.L.1948, c.65 (C.54:40A-32) is amended to
5 read as follows:

6 609. Records; possession and transportation of unstamped
7 cigarettes; seizure and confiscation of vessel or vehicles. Every person
8 who shall transport cigarettes not stamped as required by this act or
9 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
10 (C.54:40A-15) upon the public highways, waterways, roads or streets of
11 this State shall have in his actual possession invoices or delivery tickets for
12 such cigarettes which shall show the true name and complete and exact
13 address of the consignor or seller, the true name and complete and exact
14 address of the consignee or purchaser, the quantity and brands of the
15 cigarettes transported and in addition shall show separately the true name
16 and complete and exact address of the person who has or shall assume the
17 payment of the New Jersey State tax or the tax, if any, of the State or
18 foreign country at the point of ultimate destination, provided that any
19 common carrier which has issued a bill of lading for a shipment of
20 cigarettes and is without notice to itself or to any of its agents or
21 employees that said cigarettes are not stamped as required by this act shall
22 be deemed to have complied with this act and the vehicle or vessel in
23 which said cigarettes are being transported shall not be subject to
24 confiscation hereunder. In the absence of such invoices, delivery tickets
25 or bills of lading, as the case may be, the cigarettes so transported, the
26 vehicle, or vessel in which the cigarettes are being transported and any
27 paraphernalia or devices used in connection with the unstamped cigarettes
28 or cigarettes stamped in violation of subsection b. of section 405 of
29 P.L.1948, c.65 (C.54:40A-15), are declared to be contraband goods and
30 may be seized by the director, his agents or employees or by any peace
31 officer of the State when directed by the director, his agents or employees
32 so to do, without a warrant. The director shall immediately thereafter
33 institute a proceeding for the confiscation thereof in the Superior Court
34 or the municipal court within the jurisdiction of which the seizure is made.
35 The owner or any person having a security interest in any such vehicle
36 may secure release of the same by depositing with the clerk of the court,
37 in which such proceeding is pending, a bond with good and sufficient
38 sureties in an amount to be fixed by the court, conditioned upon the return
39 of said vehicle to the director upon demand after completion of said
40 proceeding. The court may proceed in a summary manner and may direct
41 confiscation to the director; provided, however, anything to the contrary
42 notwithstanding, that the owner or any person claiming to be the holder
43 of a mortgage, conditional sales contract or other security interest in any
44 vehicle or vessel, the disposition of which is provided for above, may
45 present his petition so alleging and be heard, and in the event it appears to
46 the court that the property was unlawfully used by a person other than the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted December 2, 1999.

1 owner or such claimant, and if such owner or claimant acquired ownership
2 or his security interest in good faith and without knowledge that the
3 vehicle or vessel was going to be so used, the court shall either waive
4 forfeiture in favor of such owner or claimant and order the vehicle or
5 vessel returned or delivered to such owner or claimant, or if it is found
6 that the value thereof exceeds the amount of the claim, the court shall
7 order payment of the amount of the claim out of the proceeds of the sale.
8 Every transporter who violates the provisions of this act is a disorderly
9 person, and shall, in addition to such penalties as attached thereto, be
10 liable to a penalty equal to the amount of tax due on any unstamped
11 cigarettes transported by him, which penalty shall be sued for and
12 recovered in the same manner as provided for the penalties imposed by
13 section 601 of the act to which this act is amendatory (C.54:40A-24).¹
14 (cf: P.L.1991, c.91, s.516)

15

16 ¹**[9.]** 10.¹ This act shall take effect immediately.

17

18

19

20

21 Forbids tax stamping, and therefore sale, of reimported cigarettes
22 originally produced for export.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted December 2, 1999.

ASSEMBLY, No. 3250

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 14, 1999

Sponsored by:

Assemblyman RICHARD A. MERKT

District 25 (Morris)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

SYNOPSIS

Forbids tax stamping, and therefore sale, of reimported cigarettes originally produced for export.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the tax regulation and sale of reimported
2 cigarettes, amending P.L.1948, c.65, P.L.1977, c.188, P.L.1968,
3 c.351 and P.L.1952, c.247.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 405 of P.L.1948, c.65 (C.54:40A-15) is amended to
9 read as follows:

10 405. a. Distributors to affix stamps.

11 Unless stamps have been previously affixed, the stamps required by
12 this act shall be affixed to packages of cigarettes and canceled by the
13 licensed distributor within twenty-four hours of the receipt of all
14 unstamped cigarettes, exclusive of Saturdays, Sundays and legal
15 holidays, and prior to any and all deliveries except deliveries to points
16 outside the State, deliveries by manufacturers to licensed distributors
17 and those deliveries which this State is prohibited from taxing under
18 the Constitution or the statutes of the United States.

19 b. Cigarette packages to which stamps shall not be affixed.

20 A distributor shall not affix a stamp to a package of cigarettes if the
21 package:

22 (1) Does not comply with the "Federal Cigarette Labeling and
23 Advertising Act," 15 U.S.C. s.1331 et seq., for the placement of
24 labels, warnings or any other information for a package of cigarettes
25 to be sold within the United States;

26 (2) is labeled "For Export Only," "U.S. Tax Exempt," "For use
27 Outside U.S.," or other wording indicating that the manufacturer did
28 not intend that the product be sold in the United States;

29 (3) has been altered by adding or deleting wording, labels, or
30 warnings described in paragraph (1) or paragraph (2) of this
31 subsection;

32 (4) has been imported into the United States after January 1, 2000
33 in violation of 26 U.S.C. s.5754;

34 (5) in any way violates federal trademark or copyright laws.

35 (cf: P.L.1952, c.246, s.6)

36

37 2. Section 406 of P.L.1948, c.65 (C.54:40A-16) is amended to
38 read as follows:

39 406. Wholesale dealers and retail dealers shall not accept deliveries
40 of unstamped or illegally stamped cigarettes.

41 Wholesale dealers and retail dealers shall not accept deliveries of
42 unstamped or illegally stamped cigarettes. All packages of cigarettes
43 shall be examined by wholesale and retail dealers immediately upon

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 their receipt and they shall immediately return any and all unstamped
2 and illegally stamped cigarettes to the vendor or consignor thereof or
3 to a common carrier for return to such vendor or consignor. Unless
4 substantial evidence to the contrary be shown, the possession of any
5 unstamped or illegally stamped cigarettes by a wholesale or retail
6 dealer shall be prima facie evidence that such cigarettes were
7 possessed in violation of the provisions of this act. The director may,
8 however, in ~~his~~the director's discretion and subject to such
9 conditions as ~~he~~the director may prescribe, authorize wholesale
10 dealers and retail dealers to acquire and have in their possession
11 cigarettes bearing cigarette revenue stamps of other states, provided
12 such cigarettes are intended for sale or other disposition in those
13 states.

14 (cf: P.L.1954, c.225, s.2)

15

16 3. Section 602 of P.L.1948, c.65 (C.54:40A-25) is amended to
17 read as follows:

18 602. Possessing cigarettes not bearing required revenue stamps.

19 Any wholesale dealer or retail dealer who violates the provisions of
20 section four hundred six of this act, and any consumer who fails to
21 report and remit the tax due as provided by section two hundred five
22 of this act, shall be liable to a penalty of not more than twenty-five
23 dollars (\$25) for each individual carton of unstamped or illegally
24 stamped cigarettes in ~~his~~the dealer's possession, which penalty shall
25 be sued for and recovered in the same manner as provided for the
26 penalties imposed by section six hundred one of this act.

27 (cf: P.L.1951, c.281, s.2)

28

29 4. Section 605 of P.L.1948, c.65 (C.54:40A-28) is amended to
30 read as follows:

31 605. Any person who sells cigarettes without the stamp or stamps
32 required by this act being affixed thereto or cigarettes stamped in
33 violation of subsection b. of section 405 of P.L.1948, c.65
34 (C.54:40A-15) shall be guilty of a misdemeanor and, upon conviction
35 thereof, shall be fined not more than \$1,000, or imprisoned for not
36 more than 1 year, or both, at the discretion of the court.

37 (cf: P.L.1977, c.188, s.1)

38

39 5. Section 2 of P.L.1977, c.188 (C.54:40A-28.1) is amended to
40 read as follows:

41 2. Any person, other than a licensee permitted under this act to
42 possess any unstamped cigarettes, who possesses 2,000 but
43 ~~less~~fewer than 20,000 cigarettes without the stamp or stamps
44 required by this act being affixed thereto or stamped in violation of
45 subsection b. of section 405 shall be a disorderly person, and upon
46 conviction thereof, shall be fined not more than \$500 or imprisoned

1 for not more than 6 months, or both, at the discretion of the court;
2 and any such person who possesses 20,000 or more cigarettes without
3 the stamp or stamps required by this act being affixed thereto or
4 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
5 (C.54:40A-15) shall be guilty of a misdemeanor, and upon conviction
6 thereof, shall be fined not more than \$1,000 or imprisoned for not
7 more than 1 year, or both, at the discretion of the court.

8 (cf: P.L.1977, c.188, s.2)

9

10 6. Section 607 of P.L.1948, c.65 (C.54:40A-30) is amended to
11 read as follows:

12 607. Unstamped cigarettes subject to confiscation.

13 a. All cigarettes, subject to the tax imposed by this act, to which
14 stamps have not been affixed, as required by this act, and all cigarettes
15 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
16 (C.54:40A-15) found in any place in this State are declared to be
17 contraband goods and may be seized by the director, **[his]** the
18 director's agents or employees, or by any peace officer of this State,
19 when directed by the director so to do, without a warrant.

20 b. The director may upon satisfactory proof direct the return of
21 any unstamped confiscated cigarettes when **[he]** the director shall
22 have reason to believe that the owner thereof has not willfully or
23 intentionally evaded any tax imposed by this act. Any unstamped
24 cigarettes seized under the provisions of this act shall be disposed of
25 according to law. Any purchaser of such cigarettes shall be required
26 to affix stamps as required by this act.

27 c. The director shall destroy any seized cigarettes that have been
28 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
29 (C.54:40A-15); provided however that as an alternative the director
30 may resell such cigarettes to the manufacturer, but such cigarettes
31 shall be resold only for export.

32 d. The seizure and sale of any cigarettes under the provisions of
33 this section shall not relieve any person from a fine, imprisonment or
34 other penalty for violation of any of the provisions of this act. The
35 director, **[his]** the director's agents, employees, and any peace officer
36 of this State, when directed so to do, shall not in any way be
37 responsible in any court for the seizure or the confiscation of any
38 unstamped or illegally stamped packages of cigarettes.

39 (cf: P.L.1948, c.65, s. 607)

40

41 7. Section 9 of P.L.1968, c. 351 (C.54:40A-32.1) is amended to
42 read as follows:

43 9. Any cigarette vending machine not bearing a proper license or
44 identification, or which is found to contain unstamped packages of
45 cigarettes, or cigarettes bearing counterfeit impressions, or cigarettes
46 stamped in violation of subsection b. of section 405 of P.L.1948, c.65

1 (C.54:40A-15), may be seized or sealed by the director, **[his]** the
2 director's agents or employees or by any peace officer of this State,
3 when directed by the director so to do. If the owner or **[his]** the
4 owner's agent destroys or removes said seal, **[he]** that individual may,
5 upon conviction, be subject to a penalty of not more than \$250. Any
6 vending machine containing unstamped or counterfeit stamped
7 cigarettes may be declared forfeited to the director.

8 (cf: P.L.1968, c.351, s.9)

9

10 8. Section 3 of P.L.1952, c.247 (C.56:7-20) is amended to read as
11 follows:

12 3. It shall be unlawful and a violation of this act:

13 a. For any retailer or wholesaler with intent to injure competitors
14 or destroy or substantially lessen competition--

15 (1) to advertise, offer to sell, or sell, at retail or wholesale,
16 cigarettes at less than cost to such retailer or wholesaler , as the case
17 may be,

18 (2) to offer a rebate in price, to give a rebate in price, to offer a
19 concession of any kind, or to give a concession of any kind or nature
20 whatsoever in connection with the sale of cigarettes;

21 b. For any retailer--

22 (1) to induce or attempt to induce or to procure or attempt to
23 procure the purchase of cigarettes at a price less than "cost to
24 wholesaler" as defined in this act,

25 (2) to induce or attempt to induce or to procure or attempt to
26 procure any rebate or concession of any kind or nature whatsoever in
27 connection with the purchase of cigarettes.

28 (3) to sell, with or without a stamp, cigarette packages described
29 in subsection b. of section 405 of P.L.1948, c.65 (C.54:40A-15).

30 c. Any retailer or wholesaler who violates the provisions of this
31 section is a disorderly person and shall be prosecuted and punished by
32 a fine of not more than \$1,000 for each offense, in accordance with the
33 provisions of Title 2C of the New Jersey Statutes.

34 d. Evidence of advertisement, offering to sell or sale of cigarettes
35 by any retailer, or wholesaler at less than cost to him, or evidence of
36 any offer of a rebate in price or the giving of a rebate in price or an
37 offer of a concession or the giving of a concession of any kind or
38 nature whatsoever in connection with the sale of cigarettes or the
39 inducing or attempt to induce or the procuring or the attempt to
40 procure the purchase of cigarettes at a price less than cost to the
41 wholesaler or the retailer shall be prima facie evidence of intent to
42 injure competitors and to destroy or substantially lessen competition.

43 (cf: P.L.1987, c.37, s.4)

44

45 9. This act shall take effect immediately.

STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

This bill closes a growing market in American-made brand-name cigarettes bought at cheap prices overseas and shipped back to the United States for sale. Cigarettes manufactured for sale in foreign markets are manufactured to be cheaper than cigarettes meant for the domestic market. In addition, American cigarette makers also frequently reduce the price of cigarettes sold abroad even further so they can compete with cheaper foreign brands.

Some American wholesalers are buying up American brand-name cigarettes at the lower prices in overseas markets and returning them to the United States for sale here. Even after applicable state and federal taxes are paid, the "repatriated" cigarettes are cheaper than similar brands made for the domestic market.

Currently, tax stamps are used to enforce the collection of the tax on cigarettes sold in New Jersey. This bill blocks the sale of repatriated cigarettes by prohibiting tobacco distributors from affixing cigarette tax stamps on cigarette packages that:

- don't have federally approved health hazard warning or other federally required information labels;
- are labeled "For Export Only" or in some other manner that indicates they were made for overseas sales;
- have been altered by adding or deleting wording, labels or warnings.
- are imported into the U.S. after January 1, 2000; or
- violate federal trademark or copyright laws.

Currently, unstamped cigarettes may be seized and resold at auction to purchasers who are required to comply with the cigarette tax stamp laws, and penalties apply to persons evading the cigarette tax stamp laws. This bill subjects the unstamped repatriated cigarettes, and repatriated cigarettes that have been illegally stamped, to the same provisions. However, under the bill seized repatriated cigarettes can only be sold back to their manufacturers who must export them.

This bill also makes the sale of repatriated cigarettes a violation of the "Unfair Cigarette Sales Act of 1952."

ASSEMBLY COMMERCE, TOURISM, GAMING AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3250

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably and with committee amendments Assembly Bill No. 3250.

As amended, this bill closes a growing market in American-made brand-name cigarettes bought at cheap prices overseas and shipped back to the United States for sale. Cigarettes manufactured for sale in foreign markets are manufactured to be cheaper than cigarettes meant for the domestic market. In addition, American cigarette makers also frequently reduce the price of cigarettes sold abroad even further so they can compete with cheaper foreign brands.

Some American wholesalers are buying up American brand-name cigarettes at the lower prices in overseas markets and returning them to the United States for sale here. Even after applicable state and federal taxes are paid, the "repatriated" cigarettes are cheaper than similar brands made for the domestic market.

Currently, tax stamps are used to enforce the collection of the tax on cigarettes sold in New Jersey. This bill blocks the sale of repatriated cigarettes by prohibiting tobacco distributors from affixing cigarette tax stamps on cigarette packages that:

- don't have federally approved health hazard warning or other federally required information labels;
- are labeled "For Export Only" or in some other manner that indicates they were made for overseas sales;
- have been altered by adding or deleting wording, labels or warnings.
- are imported into the U.S. after January 1, 2000; or
- violate federal trademark or copyright laws.

Currently, unstamped cigarettes may be seized and resold at auction to purchasers who are required to comply with the cigarette tax stamp laws, and penalties apply to persons evading the cigarette tax stamp laws. This bill subjects the unstamped repatriated cigarettes, and repatriated cigarettes that have been illegally stamped, to the same provisions. However, under the bill seized repatriated

cigarettes can only be sold back to their manufacturers who must export or destroy them.

This bill also makes the transportation of cigarettes that have been illegally stamped a violation under section 609 of P.L.1948, c.65 (C.54:40A-32).

Committee Amendments

As reported by the committee, these amendments make this bill identical to S-2002 SCA.

The committee amended section 6 of the bill to clarify that unstamped or illegally stamped cigarettes are declared to be "prima facie" contraband goods subject to seizure.

The committee also amended section 6 to permit the resale of confiscated repatriated cigarettes to their manufacturers only for export or for destruction.

The committee amended section 8 of the bill to include distributors as a class subject to various penalty provisions of the "Unfair Cigarette Sales Act of 1952, "P.L.1952, c.247 (C.56:7-18 et seq.).

The committee also added a new section 9 to the bill to amend section 609 of P.L.1948, c.65 (C.54:40A-32) to include transportation of illegally stamped "gray market" cigarettes within the provisions of this section.

SENATE, No. 2002

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED JUNE 17, 1999

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator GERALD CARDINALE

District 39 (Bergen)

SYNOPSIS

Forbids tax stamping, and therefore sale, of reimported cigarettes originally produced for export.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/7/1999)

S2002 KOSCO, CARDINALE

2

1 AN ACT concerning the tax regulation and sale of reimported
2 cigarettes, amending P.L.1948, c.65, P.L.1977, c.188, P.L.1968,
3 c.351 and P.L.1952, c.247.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 405 of P.L.1948, c.65 (C.54:40A-15) is amended to
9 read as follows:

10 405. a. Distributors to affix stamps.

11 Unless stamps have been previously affixed, the stamps required by
12 this act shall be affixed to packages of cigarettes and canceled by the
13 licensed distributor within twenty-four hours of the receipt of all
14 unstamped cigarettes, exclusive of Saturdays, Sundays and legal
15 holidays, and prior to any and all deliveries except deliveries to points
16 outside the State, deliveries by manufacturers to licensed distributors
17 and those deliveries which this State is prohibited from taxing under
18 the Constitution or the statutes of the United States.

19 b. Cigarette packages to which stamps shall not be affixed.

20 A distributor shall not affix a stamp to a package of cigarettes if the
21 package:

22 (1) Does not comply with the "Federal Cigarette Labeling and
23 Advertising Act," 15 U.S.C. s.1331 et seq., for the placement of
24 labels, warnings or any other information for a package of cigarettes
25 to be sold within the United States;

26 (2) is labeled "For Export Only," "U.S. Tax Exempt," "For use
27 Outside U.S.," or other wording indicating that the manufacturer did
28 not intend that the product be sold in the United States;

29 (3) has been altered by adding or deleting wording, labels, or
30 warnings described in paragraph (1) or paragraph (2) of this
31 subsection;

32 (4) has been imported into the United States after January 1, 2000
33 in violation of 26 U.S.C. s.5754;

34 (5) in any way violates federal trademark or copyright laws.

35 (cf: P.L.1952, c.246, s.6)

36

37 2. Section 406 of P.L.1948, c.65 (C.54:40A-16) is amended to
38 read as follows:

39 406. Wholesale dealers and retail dealers shall not accept deliveries
40 of unstamped or illegally stamped cigarettes.

41 Wholesale dealers and retail dealers shall not accept deliveries of
42 unstamped or illegally stamped cigarettes. All packages of cigarettes
43 shall be examined by wholesale and retail dealers immediately upon

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 their receipt and they shall immediately return any and all unstamped
2 and illegally stamped cigarettes to the vendor or consignor thereof or
3 to a common carrier for return to such vendor or consignor. Unless
4 substantial evidence to the contrary be shown, the possession of any
5 unstamped or illegally stamped cigarettes by a wholesale or retail
6 dealer shall be prima facie evidence that such cigarettes were
7 possessed in violation of the provisions of this act. The director may,
8 however, in ~~[his]~~the director's discretion and subject to such
9 conditions as ~~[he]~~the director may prescribe, authorize wholesale
10 dealers and retail dealers to acquire and have in their possession
11 cigarettes bearing cigarette revenue stamps of other states, provided
12 such cigarettes are intended for sale or other disposition in those
13 states.

14 (cf: P.L.1954, c.225, s.2)

15

16 3. Section 602 of P.L.1948, c.65 (C.54:40A-25) is amended to
17 read as follows:

18 602. Possessing cigarettes not bearing required revenue stamps.

19 Any wholesale dealer or retail dealer who violates the provisions of
20 section four hundred six of this act, and any consumer who fails to
21 report and remit the tax due as provided by section two hundred five
22 of this act, shall be liable to a penalty of not more than twenty-five
23 dollars (\$25) for each individual carton of unstamped or illegally
24 stamped cigarettes in ~~[his]~~the dealer's possession, which penalty shall
25 be sued for and recovered in the same manner as provided for the
26 penalties imposed by section six hundred one of this act.

27 (cf: P.L.1951, c.281, s.2)

28

29 4. Section 605 of P.L.1948, c.65 (C.54:40A-28) is amended to
30 read as follows:

31 605. Any person who sells cigarettes without the stamp or stamps
32 required by this act being affixed thereto or cigarettes stamped in
33 violation of subsection b. of section 405 of P.L.1948, c.65
34 (C.54:40A-15) shall be guilty of a misdemeanor and, upon conviction
35 thereof, shall be fined not more than \$1,000, or imprisoned for not
36 more than 1 year, or both, at the discretion of the court.

37 (cf: P.L.1977, c.188, s.1)

38

39 5. Section 2 of P.L.1977, c.188 (C.54:40A-28.1) is amended to
40 read as follows:

41 2. Any person, other than a licensee permitted under this act to
42 possess any unstamped cigarettes, who possesses 2,000 but ~~[less]~~fewer
43 than 20,000 cigarettes without the stamp or stamps required by this
44 act being affixed thereto or stamped in violation of subsection b. of
45 section 405 shall be a disorderly person, and upon conviction thereof,
46 shall be fined not more than \$500 or imprisoned for not more than 6

1 months, or both, at the discretion of the court; and any such person
2 who possesses 20,000 or more cigarettes without the stamp or stamps
3 required by this act being affixed thereto or stamped in violation of
4 subsection b. of section 405 of P.L.1948, c.65 (C.54:40A-15) shall be
5 guilty of a misdemeanor, and upon conviction thereof, shall be fined
6 not more than \$1,000 or imprisoned for not more than 1 year, or both,
7 at the discretion of the court.

8 (cf: P.L.1977, c.188, s.2)

9

10 6. Section 607 of P.L.1948, c.65 (C.54:40A-30) is amended to
11 read as follows:

12 607. Unstamped cigarettes subject to confiscation.

13 a. All cigarettes, subject to the tax imposed by this act, to which
14 stamps have not been affixed, as required by this act, and all cigarettes
15 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
16 (C.54:40A-15) found in any place in this State are declared to be
17 contraband goods and may be seized by the director, [his] the
18 director's agents or employees, or by any peace officer of this State,
19 when directed by the director so to do, without a warrant.

20 b. The director may upon satisfactory proof direct the return of
21 any unstamped confiscated cigarettes when [he] the director shall have
22 reason to believe that the owner thereof has not willfully or
23 intentionally evaded any tax imposed by this act. Any unstamped
24 cigarettes seized under the provisions of this act shall be disposed of
25 according to law. Any purchaser of such cigarettes shall be required
26 to affix stamps as required by this act.

27 c. The director shall destroy any seized cigarettes that have been
28 stamped in violation of subsection b. of section 405 of P.L.1948, c.65
29 (C.54:40A-15); provided however that as an alternative the director
30 may resell such cigarettes to the manufacturer, but such cigarettes
31 shall be resold only for export.

32 d. The seizure and sale of any cigarettes under the provisions of
33 this section shall not relieve any person from a fine, imprisonment or
34 other penalty for violation of any of the provisions of this act. The
35 director, [his] the director's agents, employees, and any peace officer
36 of this State, when directed so to do, shall not in any way be
37 responsible in any court for the seizure or the confiscation of any
38 unstamped or illegally stamped packages of cigarettes.

39 (cf: P.L.1948, c.65, s.607)

40

41 7. Section 9 of P.L.1968, c. 351 (C.54:40A-32.1) is amended to
42 read as follows:

43 9. Any cigarette vending machine not bearing a proper license or
44 identification, or which is found to contain unstamped packages of
45 cigarettes, or cigarettes bearing counterfeit impressions, or cigarettes
46 stamped in violation of subsection b. of section 405 of P.L.1948, c.65

1 (C.54:40A-15), may be seized or sealed by the director, [his] the
2 director's agents or employees or by any peace officer of this State,
3 when directed by the director so to do. If the owner or [his] the
4 owner's agent destroys or removes said seal, [he] that individual may,
5 upon conviction, be subject to a penalty of not more than \$250. Any
6 vending machine containing unstamped or counterfeit stamped
7 cigarettes may be declared forfeited to the director.

8 (cf: P.L.1968, c.351, s.9)

9

10 8. Section 3 of P.L.1952, c.247 (C.56:7-20) is amended to read as
11 follows:

12 3. It shall be unlawful and a violation of this act:

13 a. For any retailer or wholesaler with intent to injure competitors
14 or destroy or substantially lessen competition--

15 (1) to advertise, offer to sell, or sell, at retail or wholesale,
16 cigarettes at less than cost to such retailer or wholesaler , as the case
17 may be,

18 (2) to offer a rebate in price, to give a rebate in price, to offer a
19 concession of any kind, or to give a concession of any kind or nature
20 whatsoever in connection with the sale of cigarettes;

21 b. For any retailer--

22 (1) to induce or attempt to induce or to procure or attempt to
23 procure the purchase of cigarettes at a price less than "cost to
24 wholesaler" as defined in this act,

25 (2) to induce or attempt to induce or to procure or attempt to
26 procure any rebate or concession of any kind or nature whatsoever in
27 connection with the purchase of cigarettes.

28 (3) to sell, with or without a stamp, cigarette packages described
29 in subsection b. of section 405 of P.L.1948, c.65 (C.54:40A-15).

30 c. Any retailer or wholesaler who violates the provisions of this
31 section is a disorderly person and shall be prosecuted and punished by
32 a fine of not more than \$1,000 for each offense, in accordance with the
33 provisions of Title 2C of the New Jersey Statutes.

34 d. Evidence of advertisement, offering to sell or sale of cigarettes
35 by any retailer, or wholesaler at less than cost to him, or evidence of
36 any offer of a rebate in price or the giving of a rebate in price or an
37 offer of a concession or the giving of a concession of any kind or
38 nature whatsoever in connection with the sale of cigarettes or the
39 inducing or attempt to induce or the procuring or the attempt to
40 procure the purchase of cigarettes at a price less than cost to the
41 wholesaler or the retailer shall be prima facie evidence of intent to
42 injure competitors and to destroy or substantially lessen competition.

43 (cf: P.L.1987, c.37, s.4)

44

45 9. This act shall take effect immediately.

STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

This bill closes a growing market in American-made brand-name cigarettes bought at cheap prices overseas and shipped back to the United States for sale. Cigarettes manufactured for sale in foreign markets are manufactured to be cheaper than cigarettes meant for the domestic market. In addition, American cigarette makers also frequently reduce the price of cigarettes sold abroad even further so they can compete with cheaper foreign brands.

Some American wholesalers are buying up American brand-name cigarettes at the lower prices in overseas markets and returning them to the United States for sale here. Even after applicable state and federal taxes are paid, the "repatriated" cigarettes are cheaper than similar brands made for the domestic market.

Currently, tax stamps are used to enforce the collection of the tax on cigarettes sold in New Jersey. This bill blocks the sale of repatriated cigarettes by prohibiting tobacco distributors from affixing cigarette tax stamps on cigarette packages that:

- Ⓒ don't have federally approved health hazard warning or other federally required information labels;
- Ⓒ are labeled "For Export Only" or in some other manner that indicates they were made for overseas sales;
- Ⓒ have been altered by adding or deleting wording, labels or warnings.
- Ⓒ are imported into the U.S. after January 1, 2000; or
- Ⓒ violate federal trademark or copyright laws.

Currently, unstamped cigarettes may be seized and resold at auction to purchasers who are required to comply with the cigarette tax stamp laws, and penalties apply to persons evading the cigarette tax stamp laws. This bill subjects the unstamped repatriated cigarettes, and repatriated cigarettes that have been illegally stamped, to the same provisions. However, under the bill seized repatriated cigarettes can only be sold back to their manufacturers who must export them.

This bill also makes the sale of repatriated cigarettes a violation of the "Unfair Cigarette Sales Act of 1952."

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2002

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2002.

This bill, as amended by the committee, forbids the stamping, and therefore the domestic sale, of re-imported cigarettes originally manufactured for export. Tax stamps are used to enforce the collection of the tax on cigarettes sold in this State. With this in mind, this bill prevents the sale of re-imported cigarettes by prohibiting tobacco distributors from affixing cigarette tax stamps on cigarette packages that: do not contain the federally approved health hazard warning or other federally required information labels; are labeled "For Export Only" or in some other manner that indicates they were made for shipment overseas; have been altered by adding or deleting wording, labels or warnings; are imported into the U.S. after January 1, 2000; or violate federal trademark or copyright laws. Further, this bill declares unstamped re-imported cigarettes and illegally stamped re-imported cigarettes to be prima facie contraband subject to seizure and resale to the original manufacturer, who must then export or destroy the cigarettes. The bill also makes the sale of re-imported cigarettes a violation of the "Unfair Cigarette Sales Act of 1952."

As reported by the committee, this bill is identical to Assembly Bill No. 3025 (1R).

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Gene Herman
609-777-2600

RELEASE: January 6, 2000

Gov. Christie Whitman today signed the following pieces of legislation:

S-1551, sponsored by Senators Nicholas J. Sacco (D-Bergen/Hudson) and Henry P. McNamara (R-Bergen/Passaic) and Assembly Members John E. Rooney (R-Bergen) and David C. Russo (R-Bergen/Passaic), authorizes the board of education of a school district to apply to the economic Development Administration (EDA) for an interest-free loan for the costs of cleaning up a leaking tank, or upgrading or closing a regulated tank.

S-2013, sponsored by Senators Norman M. Robertson (R-Essex/Passaic) and William L. Gormley (R-Atlantic) and Assembly Members Joseph V. Doria, Jr. (D-Hudson) and Anthony M. Impreveduto (D-Bergen/Hudson), prohibits physicians, chiropractors, and other health care professionals from soliciting professional employment from accident and disaster victims within the 30-day period after the accident or disaster. The bill also provides for a criminal penalty against attorneys who violate the rules of professional conduct by contacting victims.

SCS for S-1613, sponsored by Senators C. Louis Bassano (R-Essex/Union) and Henry P. McNamara (R-Bergen/Passaic) and Assembly Members John E. Rooney (R-Bergen) and David C. Russo (R-Bergen/Passaic), establishes a certification requirement for persons removing or installing an unregulated storage tank. Unregulated storage tanks are those used for residential purposes and non-residential tanks under 2000 gallons.

S-1941, sponsored by Senators Richard J. Codey (D-Essex) and Donald T. DiFrancesco (R-Middlesex/Morris/Somerset/Union) and Assembly Members Joseph V. Doria, Jr. (D-Hudson) and Jack Collins (R-Salem/Cumberland/Gloucester), establishes the Senator Wynona Lipman Chair in Political Leadership at the Center for the American Woman and Politics at the Eagleton Institute of Politics. The bill appropriates \$100,000 to finance the chair. The bill is a tribute to the late Senator Lipman.

S-908, sponsored by Senators Joseph A. Palaia (R-Monmouth) and John Matheussen (R-Camden/Gloucester) and Assembly Member Tom Smith (R-Monmouth) reduces the minimum eligibility age for membership in the Junior Firemen's Auxiliary from 16 to 14.

S-1370, sponsored by Senator James S. Cafiero (R-Atlantic/Cape May/Cumberland) and Assembly Members John C. Gibson (R-Atlantic/Cape May/Cumberland) and Nicholas Asselta (R-Atlantic/Cape May/Cumberland), extends to elementary students certain drug counseling-related confidentiality protections currently available to secondary students. The bill is intended to encourage students to seek out drug counseling and foster greater communication between students and counselors.

S-1061, sponsored by Senators Martha W. Bark (R-Atlantic/Burlington/Camden) and John A. Girgenti (D-Passaic) and Assembly Members Richard A. Merkt (R-Morris) and Michael Patrick Carroll (R-Morris), repeals, recodifies and supplements a number of statutes dealing with evidence and service of process. The bill embodies the recommendations of the New Jersey Law Revision Commission, which in 1996 undertook a review of these statutes.

S-273, sponsored by the late Senator Wynona Lipman (D-Essex/Union) and Assembly Member Craig A. Stanley (D-Essex), grants voting rights to student members of the Commission on Higher Education.

S-1954, sponsored by Senators C. Louis Bassano (R-Essex/Union) and Donald T. DiFrancesco (R-Middlesex/Morris/Somerset/Union) and Assembly Members Kevin J. O'Toole (R-Essex/ Union) and Joel M. Weingarten (R-Essex/Union), permits the Governor to appoint up to three out-of-state alumni to the boards of trustees of each of the nine state colleges and universities. Previously, all members of the boards of trustees were required to be citizens of New Jersey.

A-2392, sponsored by Assembly Members Paul DiGaetano (R- Bergen/Essex/Passaic) and Doria (D-Hudson) and Senator C. Louis Bassano (R- Essex/Union), permits a chiropractor licensed to practice in New Jersey (or a bordering state) to certify a person as handicapped for purposes of handicapped parking. Under previous law, only a licensed physician or podiatrist could grant this certification.

A-2781, sponsored by Assembly Members Connie Myers (R- Warren/Hunterdon/Mercer) and Guy R. Gregg (R-Sussex/Hunterdon/Morris) and Senator Martha W. Bark (R-Atlantic/ Burlington/Camden), allows the issuance of a permit to farmers to kill deer because of crop damage incurred anytime in the prior year. In order to receive the special permit, the bill allows the Division of Fish and Wildlife to require a farmer to demonstrate that he or she has sustained crop damage due to deer during the previous 12- month period.

S-401, sponsored by Senator Robert E. Littell (R-Sussex/Hunterdon/Morris) and Assembly Members Paul R. Kramer (R-Mercer/Middlesex) and Marion Crecco (R-Essex/Passaic), criminalizes "jumping" emergency calls. The bill's purpose is to enhance public safety by preventing persons from disrupting medical personnel and firefighters during emergencies. As a result of the bill, it is now a fourth-degree crime to use intercepted information to interfere with fire fighting operations or the provision of medical services by first aid, rescue or ambulance squad personnel.

A-3250, sponsored by Assembly Members Richard A. Merkt (R-Morris) and Guy R. Gregg (R-Sussex/ Hunterdon/Morris) and Senators Louis F. Kosco (R- Bergen) and Dr. Gerald Cardinale (R-Bergen), forbids tax stamping, and therefore, the sale of re-imported cigarettes originally produced for export. The bill attempts to ban gray market cigarettes by amending the Cigarette Tax Act to prohibit tobacco distributors from affixing cigarette tax stamps on cigarette packages that are repatriated. There are currently 24 states that have enacted similar legislation.