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Senator Con Bunde Anchorage

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Cigarette Tax Stamp Gets Senate Seal of Approval **Bunde says Tax Stamp is Fair Revenue Generator**

(Juneau) – Packs of cigarettes in Alaska may be getting a new look, in the form of a stamp indicating that the State has received the taxes it is entitled to under the current cigarette tax laws.

Senate Bill 168 was introduced by the Senate Labor and Commerce Committee in attempt to even the playing field for smokers and cigarette retailers that pay state taxes when they purchase cigarettes and those who purchase for personal use or resale - untaxed cigarettes over the internet, according to committee chair, Sen. Con Bunde (R-Anchorage).

“This is a fair tax issue,” said Bunde. “This bill was introduced on behalf of those consumers who already pay legitimate taxes on their cigarettes.”

If passed by the House and signed by the governor, cigarettes would have to have a tax stamp affixed to the package before they could legally be sold in the State. According to Bunde this includes individuals that purchase cigarettes off the Internet.

“A good number of people circumvent State tobacco taxes by making their purchases over the Internet,” said Bunde. “This bill will prevent that by requiring people to be licensed to receive delivery of cigarettes. Upon delivery the postal carrier or delivery agent will be required to have the person show their tobacco license before the delivery could be made. This will significantly cut down on the amount of untaxed tobacco is brought into the State.”

According to Bunde, with 46 other States already utilizing a tax stamp, Alaska is one of the last State’s to get on board with such a program. He said that Hawaii’s tobacco tax revenue has gone up an amazing 25 percent since they implemented a tax stamp program.

“Again this is not about implementing new taxes,” said Bunde. “This is a measure to assure that the taxes already in place are paid by everyone, not just a portion of the public that uses tobacco.”

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