

# **BULLETIN**



Comptroller of the Treasury ● Alcohol & Tobacco Tax Unit ● Goldstein Treasury Building ● Annapolis, Maryland 21404-2999  
410-260-7314 e-mail: att@comp.state.md.us

## **No. TT-10**

September 10, 1996

**TO: All Cigarette Wholesalers and Retailers**

**SUBJECT: Change in Formula - Maryland Cigarette Sales Below Cost Act**

During the 1996 Session of the Maryland General Assembly, House Bill 1060 was enacted and is effective October 1, 1996.

The new law changes the formula for calculation of minimum prices at which cigarettes may be sold under the Maryland Cigarette Sales Below Cost Act. The definition of the "Basic Cost of Cigarettes" has been modified to include the Maryland excise tax before the percentage mark-up is factored into the selling price.

The effect of this change will be to slightly increase the minimum prices at which cigarettes may be sold at wholesale and ultimately retail. This formula change is

similar to the way some other surrounding jurisdictions, such as the District of Columbia, Pennsylvania and Delaware, calculate the minimum price of cigarettes.

As of October 1, 1996 all wholesalers and retailers must adjust their minimum prices accordingly. The Alcohol and Tobacco Tax Unit is in the process of preparing new minimum price booklets and they will be distributed to affected wholesalers as soon as possible.

Charles W. Ehart, DPA  
Administrator  
Alcohol and Tobacco Tax Unit

**Information: 410-260-7314 or 1-800-MD TAXES. For the hearing impaired: Maryland Relay Service 1-800-733-2258 TTY: 410-260-7157 (Baltimore metro area). If you need a reasonable accommodation for a disability, please contact us before you visit. If you need the information in this Administrative Release in an alternate format, contact: Public Affairs Office 410-260-7885 (voice), 410-260-7157 (TTY)**

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