

SENATE WAYS AND MEANS COMMITTEE

Minutes of the Meeting
April 12, 1965

The meeting was called to order at 9:15 a.m., April 12, 1965, by Chairman Sanborn. All members were present except Senators Woodard, Saar and Van Sickle.

Representative Calvin Strowig appeared before the Committee with reference to House Bill 625. He made the following comments: The bill appropriates \$82,000 to the Department of Revenue for refund of cigarette taxes to retailers levied on cigarettes inventoried on April 1, 1964. It is his contention that the Director of Revenue had no legal authority to assess this tax against the retailers. The 1964 legislature raised the tax from 4¢ to 6¢ effective April 1, 1964. The Director of Revenue then ordered the wholesalers to inventory their stock as of April first. On May 12, 1964, the Director ordered retailers to report their inventory of cigarettes as of April first and pay the tax by June 5, 1964, or lose their license. He reported that an Assistant Attorney General had written a letter to him stating that the Director of Revenue had authority to assess the tax on retailers. Later, opinions were received from attorneys for the Pharmaceutical Association and the Grocers Association disagreeing with the Assistant Attorney General's opinion. About 16,000 retailers are involved, the names of which are on file with the Department of Revenue. None of the retailers will actually lose money if this bill is not enacted because the price of cigarettes was raised. He stated that if the Department of Revenue gets "slapped on the wrist" he would be satisfied (in lieu of passing this bill).

Senator Smith stated that with the enactment of House Bill 1096, it is still necessary to introduce a bill to transfer funds from the general revenue fund to individual funds for appropriations already approved by this legislature. He requested approval to introduce a Committee bill to accomplish these transfers, and he so moved. Senator Bowers seconded the motion. Motion carried.

Senator Arthur presented the subcommittee report on HOUSE BILLS 1100 and 1102, in which the subcommittee concurred with the House recommendations. He moved that the bills be recommended for passage. Senator Warren seconded the motion. Motion carried.

There being no further business to come before the meeting, it was adjourned at 10:00 a.m.

THEO. A. SANBORN, Chairman