

Be it resolved by the people of the State of Missouri that the Constitution be amended:

Article X is amended by adopting two new sections to be known as Sections 26 and 27.

Section 26. (a). All revenues generated under Section 27 of this article shall be used to reduce the individual income tax as further provided in this Section 26.

(b). “Reduction factor” means the percentage rounded to the nearest tenth of one percent, but not less than one tenth of one percent, sufficient to reduce tax collections by the amount collected by the state from the fees or assessments imposed or increased in Section 27 of this Article in any state fiscal year in excess of the amount collected by the state, in the immediately preceding state fiscal year, from the fees or assessments imposed or increased in Section 27 of this Article.

(c). The existing rate of the individual income tax shall be permanently reduced by the reduction factor effective the immediately ensuing tax year.

Section 27. (a). In addition to all other taxes imposed on cigarettes, a special assessment of seventeen cents (\$0.17) per package of twenty (20) cigarettes acquired after the effective date of this amendment, shall be paid by the wholesaler, and collected in the same way as other cigarette taxes by the department of revenue and subject to the rules and regulations promulgated in connection therewith.

(b). A new special assessment shall be imposed at a rate of one (1) cent per zero point zero one (.01) fluid ounces on the distribution or sale of vapor product material. “Vapor product material” means a solution containing nicotine suitable for use in a vapor product. “Vapor product” means any device, such as an electronic cigarette, that employs a mechanical heating element, battery, or electronic circuit, regardless of shape or size, that is intended to vaporize a liquid nicotine solution for human consumption. This special assessment shall be paid by the person who first acquires vapor product material or vapor products containing vapor product material in this state, but shall not apply to products regulated by the United States Food and Drug Administration under Chapter V of the Food, Drug and Cosmetics Act.

(c). In addition to all other taxes imposed on tobacco products, including the special assessment in section 26(a) of this article, an equity assessment fee is imposed upon the purchase, storage, use, consumption, handling, distribution or wholesale sale of non-participating manufacturer cigarettes at the rate of fifty-five cents (\$0.55) per package of twenty (20) cigarettes, which equity assessment fee shall be paid by the wholesaler, and collected in the same way as other cigarette taxes by the department of revenue and subject to the rules and regulations promulgated in connection therewith and such additional rules and regulations as the department of revenue may prescribe. “Non-participating manufacturer” shall be as defined by law on the effective date of this amendment. The equity assessment fee in this subsection shall be indexed to the general price level as defined in Section 17 of this article.

(d). No person shall sell or distribute vapor product or vapor product material to anyone under the age of 18, and no person under the age of 18 shall purchase or possess such products or material.

(e). The counties and political subdivisions of this state shall not impose any new or increased tax, license, fee or special assessment on the purchase, storage, use, consumption, handling, distribution or wholesale sale of vapor products or vapor product material, except as imposed on all other taxable tangible property.

(f). Every person providing cigarette manufacturing services or access to automatic cigarette manufacturing equipment to consumers shall, with respect to each cigarette manufactured, be deemed to be a manufacturer of cigarettes sold to a consumer for all purposes under the law of this state unless the consumer acquires complete and exclusive title to and possession of the automatic cigarette manufacturing equipment prior to its use at a place the provider does not control.