

## *Multistate Tax Commission*



### **Resolution 01-04**

#### **Resolution Calling for Strengthening the Jenkins Act and Contraband Cigarettes Trafficking Act**

**WHEREAS**, State tobacco tax enforcement is hindered by the illicit transportation of cigarettes between States and nations to avoid the proper payment of taxes; and

**WHEREAS**, the Jenkins Act, 15 U.S.C. sections 375-378, is a federal statute that requires anyone selling cigarettes in interstate commerce to report those sales to the tobacco tax administrator for that State into which the sales are made; and

**WHEREAS**, the Contraband Cigarette Trafficking Act at 18 U.S.C. sections 2341-2346, makes it a federal crime to distribute or purchase "contraband cigarettes" in a quantity in excess of 60,000 cigarettes which bear no evidence of payment of applicable cigarette taxes; and

**WHEREAS**, States have long sought to strengthen the provisions of the Jenkins Act and the Contraband Act to better assist enforcement of State tobacco taxes; and

**WHEREAS**, States seek to lower the threshold of the Contraband Act to 30,000 cigarettes and to expand the scope of these statutes to include tobacco products other than cigarettes; and

**WHEREAS**, bills have been introduced periodically in Congress that would effectuate some of the changes to the Jenkins Act and the Contraband Act sought by the States; now therefore, be it

**RESOLVED**, that the Multistate Tax Commission supports legislation that would enhance the States' enforcement of their tobacco taxes by strengthening the requirements of the existing Jenkins Act and Contraband Cigarette Trafficking Act.

Adopted this 27<sup>th</sup> day of July, 2001 by the Multistate Tax Commission.

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Dan R. Bucks, Executive Director

This resolution shall expire at the Annual Business Meeting of the Multistate Tax Commission in 2006.