

**SUBSTITUTE FOR  
SENATE BILL NO. 970**

A bill to amend 1993 PA 327, entitled  
"Tobacco products tax act,"  
by amending sections 2 and 11 (MCL 205.422 and 205.431), section 2  
as amended by 2012 PA 188 and section 11 as amended by 2016 PA 86.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2. As used in this act:

2           **(a) "Cigar" means any roll of tobacco wrapped in leaf tobacco**  
3 **or in any substance containing tobacco. Cigar does not include a**  
4 **cigarette.**

5           **(b) ~~(a)~~**"Cigarette" means a roll for smoking made wholly or in  
6 part of tobacco, irrespective of size or shape and irrespective of  
7 the tobacco being flavored, adulterated, or mixed with any other  
8 ingredient, which roll has a wrapper or cover made of paper or any



1 other material. Cigarette does not include cigars.

2 (c) ~~(b)~~ "Cigarette making machine" means any machine or other  
3 mechanical device which meets all of the following criteria:

4 (i) Is capable of being loaded with loose tobacco, cigarette  
5 tubes or cigarette papers, and any other components related to the  
6 production of cigarettes, including, but not limited to, cigarette  
7 filters.

8 (ii) Is designed to automatically or mechanically produce,  
9 roll, fill, dispense, or otherwise generate cigarettes.

10 (iii) Is commercial-grade or otherwise designed or suitable for  
11 commercial use.

12 (iv) Is designed to be powered or otherwise operated by a main  
13 or primary power source other than human power.

14 (d) ~~(e)~~ "Commissioner" means the state treasurer.

15 (e) "Container" or "shipping case" means an individual  
16 receptacle within which a tobacco product or group of tobacco  
17 products is placed for shipment or distribution, such as a box or a  
18 tote. A container or shipping case does not include any of the  
19 following:

20 (i) An individual package of cigarettes or cigarette carton.

21 (ii) The package or other article containing the tobacco  
22 product that is sold directly to the ultimate consumer.

23 (iii) A bag or similar package containing bulk or loose hookah  
24 tobacco, pipe tobacco, or roll-your-own cigarette tobacco that a  
25 retailer uses to fill bins, barrels, or tubs located at the  
26 retailer's place of business from which either the retailer sells a  
27 specified quantity of those tobacco products or a blend or mixture  
28 of those tobacco products to the consumer, or the consumer removes  
29 or draws a specified quantity of those tobacco products or a blend



1 or mixture of those tobacco products for purchase at retail from  
2 the retailer.

3 (iv) A pallet or similar article or device upon which an  
4 individual receptacle or group of receptacles, containing the  
5 tobacco products, is placed for shipment or distribution.

6 (v) Property used as a protective covering, or to keep items  
7 together during shipment or distribution, a receptacle or group of  
8 receptacles within which the tobacco product is placed for shipment  
9 or distribution including shrink wrap or other wrapping materials,  
10 but excluding the protective covering which forms, gives shape to,  
11 or otherwise constitutes the receptacle within which the tobacco  
12 product is placed for shipment or distribution.

13 (f) ~~(d)~~—"Counterfeit cigarette" means a cigarette in an  
14 individual package of cigarettes or other container with a false  
15 manufacturing label or a cigarette in an individual package of  
16 cigarettes or other container with a counterfeit stamp.

17 (g) ~~(e)~~—"Counterfeit cigarette paper" means a cigarette paper  
18 with a false manufacturing label or that has not been printed,  
19 manufactured, or made by authority of the trademark owner.

20 (h) ~~(f)~~—"Counterfeit stamp" means any stamp, label, or print,  
21 indicium, or character, that evidences, or purports to evidence,  
22 the payment of any tax levied under this act and that has not been  
23 printed, manufactured, or made by authority of the department as  
24 provided in this act and has not been issued, sold, or circulated  
25 by the department.

26 (i) ~~(g)~~—"Department" means the department of treasury.

27 (j) ~~(h)~~—"Financially sound" means a determination by the  
28 department that the wholesaler or unclassified acquirer is able to  
29 pay ~~for its stamps~~ **the tax due on the tobacco products it sells,**



1 **imports, or acquires, as applicable,** in the ordinary course of  
 2 business based on criteria including, but not limited to, all of  
 3 the following:

4 (i) Past filing and payment history with the department.

5 (ii) Outstanding liabilities.

6 (iii) Review of current financial statements including, but not  
 7 limited to, balance sheets and income statements.

8 (iv) Duration that the wholesaler or unclassified acquirer has  
 9 been licensed under this act.

10 (v) **Ability to pay for its stamps, if required under this act.**

11 (k) ~~(i)~~—"Gray market cigarette" means any cigarette the  
 12 package of which bears any statement, label, stamp, sticker, or  
 13 notice indicating that the manufacturer did not intend the  
 14 cigarettes to be sold, distributed, or used in the United States,  
 15 including, but not limited to, a label stating "For Export Only",  
 16 "U.S. Tax Exempt", "For Use Outside U.S.", or similar wording.

17 (l) ~~(j)~~—"Gray market cigarette paper" means any cigarette paper  
 18 the package of which bears any statement, label, stamp, sticker, or  
 19 notice indicating that the manufacturer did not intend the  
 20 cigarette papers to be sold, distributed, or used in the United  
 21 States, including, but not limited to, a label stating "For Export  
 22 Only", "U.S. Tax Exempt", "For Use Outside U.S.", "For Use in  
 23 \_\_\_\_\_ (another country) Only", or similar wording.

24 (m) **"Hookah tobacco" means tobacco sold in loose or bulk form**  
 25 **that is intended for consumption by smoking in a hookah and that is**  
 26 **flavored with honey, molasses, fruit, or other flavors. Hookah**  
 27 **tobacco includes those products commonly known or referred to as**  
 28 **narghile, argileh, shisha, hubble-bubble, or goza.**

29 (n) **"Hookah" means a device used for smoking hookah tobacco**



1 that consists of a tube connected to a chamber where the smoke is  
2 cooled passing through water.

3 (o) ~~(k)~~—"Individual package" means an individual packet or  
4 pack used to contain or to convey cigarettes to the consumer.  
5 Individual package does not include cartons, cases, or shipping or  
6 storage containers that contain smaller packaging units of  
7 cigarettes.

8 (p) ~~(l)~~—"Licensee" means a person licensed under this act.

9 (q) ~~(m)~~—"Manufacturer" means any of the following:

10 (i) ~~A~~—**Except as otherwise provided in this subdivision, a**  
11 person who manufactures or produces a tobacco product.

12 (ii) A person who operates or who permits any other person to  
13 operate a cigarette making machine in this state for the purpose of  
14 producing, filling, rolling, dispensing, or otherwise generating  
15 cigarettes. A person who is a manufacturer under this subparagraph  
16 shall constitute a nonparticipating manufacturer for purposes of  
17 sections 6c and 6d. A person who operates or otherwise uses a  
18 machine or other mechanical device, other than a cigarette making  
19 machine, to produce, roll, fill, dispense, or otherwise generate  
20 cigarettes shall not be considered a manufacturer as long as the  
21 cigarettes are produced or otherwise generated in that person's  
22 dwelling and for that person's self-consumption. For purposes of  
23 this act, "self-consumption" means production for personal  
24 consumption or use and not for sale, resale, or any other profit-  
25 making endeavor.

26 (iii) **A person who does any of the following shall not be**  
27 **considered a manufacturer:**

28 (A) **Mixes or blends 2 or more different tobacco products to**  
29 **create a custom mix or blend of those products if each of the**



1 constituent tobacco products mixed or blended together is a  
 2 finished tobacco product that the person could or does otherwise  
 3 sell to consumers and upon which the tax under this act has been  
 4 paid.

5 (B) Creates or produces, by filling a fruit with hookah  
 6 tobacco, what is commonly known as a fruit bowl or fruit head for  
 7 use in a hookah.

8 (C) Rolls a cigar for his or her own self-consumption.

9 (r) ~~(n)~~—"Noncigarette smoking tobacco" means tobacco sold in  
 10 loose or bulk form that is intended for consumption by smoking and  
 11 also includes roll-your-own cigarette tobacco, **hookah tobacco, pipe**  
 12 **tobacco, or a wrap.**

13 (s) ~~(e)~~—"Person" means an individual, partnership, fiduciary,  
 14 association, limited liability company, corporation, or other legal  
 15 entity.

16 (t) "Pipe tobacco" means any tobacco that, because of its  
 17 appearance, type, packaging, or labeling, is suitable for use and  
 18 likely to be offered to, or purchased by, consumers as tobacco to  
 19 smoke in a pipe.

20 (u) ~~(p)~~—"Place of business" means a place where a tobacco  
 21 product is sold or where a tobacco product is brought or kept for  
 22 the purpose of sale or consumption, including a vessel, airplane,  
 23 train, or vending machine.

24 (v) ~~(q)~~—"Retailer" means a person other than a transportation  
 25 company who operates a place of business **in this state, or who**  
 26 **directs, manages, or has control over the day-to-day operations of**  
 27 **a place of business in this state,** for the purpose of making sales  
 28 of a tobacco product at retail. **A person described in this**  
 29 **subdivision qualifies as a retailer regardless of whether that**



1 person owns the place of business.

2 (w) "Roll-your-own cigarette tobacco" means any tobacco which,  
3 because of its appearance, type, packaging, or labeling, is  
4 suitable for use and likely to be offered to, or purchased by,  
5 consumers as tobacco for making cigarettes.

6 (x) ~~(r)~~—"Sale" means a transaction by which the ownership of  
7 tangible personal property is transferred for consideration and  
8 applies also to use, gifts, exchanges, barter, and theft.

9 (y) ~~(s)~~—"Secondary wholesaler" means a person who sells a  
10 tobacco product for resale, who purchases a tobacco product from a  
11 wholesaler or unclassified acquirer licensed under this act, and  
12 who maintains an established place of business in this state where  
13 a substantial portion of the business is the sale of tobacco  
14 products and related merchandise at wholesale, and where at all  
15 times a substantial stock of tobacco products and related  
16 merchandise is available to retailers for resale.

17 (z) ~~(t)~~—"Smokeless tobacco" means snuff, **snus**, chewing  
18 tobacco, **moist snuff**, and any other tobacco that is intended to be  
19 **used or consumed, whether heated, chewed, absorbed, dissolved,**  
20 **inhaled, snorted, sniffed, or ingested,** by **any** means other than  
21 smoking **or combustion**.

22 (aa) ~~(u)~~—"Stamp" means a distinctive character, indication, or  
23 mark, as determined by the department, attached or affixed to an  
24 individual package of cigarettes by mechanical device or other  
25 means authorized by the department to indicate that the tax imposed  
26 under this act has been paid.

27 (bb) ~~(v)~~—"Stamping agent" means a wholesaler or unclassified  
28 acquirer other than a manufacturer who is licensed and authorized  
29 by the department to affix stamps to individual packages of



1 cigarettes on behalf of themselves and other wholesalers or  
 2 unclassified acquirers other than manufacturers.

3       **(cc)** ~~(w)~~—"Tobacco product" means **a product containing any**  
 4 **amount of tobacco regardless of form including, but not limited to,**  
 5 cigarettes, cigars, noncigarette smoking tobacco, or smokeless  
 6 tobacco. **A tobacco product does not include drugs, devices, or**  
 7 **combination products authorized for sale by the United States Food**  
 8 **and Drug Administration, as those terms are defined in the federal**  
 9 **food, drug, and cosmetic act, 21 USC 351 to 360fff-7.**

10       **(dd)** ~~(x)~~—"Transportation company" means a person operating, or  
 11 supplying to common carriers, cars, boats, or other vehicles for  
 12 the transportation or accommodation of passengers and engaged in  
 13 the sale of a tobacco product at retail.

14       **(ee)** ~~(y)~~—"Transporter" means a person importing or  
 15 transporting into this state, or transporting in this state, a  
 16 tobacco product obtained from a source located outside this state,  
 17 or from any person not duly licensed under this act. Transporter  
 18 does not include an interstate commerce carrier licensed by the  
 19 interstate commerce commission, **or its successor federal agency,** to  
 20 carry commodities in interstate commerce, or a licensee maintaining  
 21 a warehouse or place of business outside of this state if the  
 22 warehouse or place of business is licensed under this act.

23       **(ff)** ~~(z)~~—"Unclassified acquirer" means a person, except a  
 24 transportation company or a purchaser at retail from a retailer  
 25 licensed under the general sales tax act, 1933 PA 167, MCL 205.51  
 26 to 205.78, who imports or acquires a tobacco product from a source  
 27 other than a wholesaler or secondary wholesaler licensed under this  
 28 act for use, sale, or distribution **in this state.** Unclassified  
 29 acquirer also means a person who **purchases or receives cigars,**





1 ~~none-cigarette smoking tobacco, or smokeless tobacco~~ **products**  
 2 directly from a manufacturer licensed under this act or from  
 3 another source outside this state, which source is not licensed  
 4 under this act. **An unclassified acquirer also includes a person not**  
 5 **located in this state that sells a tobacco product, through a mail**  
 6 **order, catalog sale, telephone order, internet sale, or any other**  
 7 **means, to a retailer or other person in this state that is not**  
 8 **licensed under this act as a wholesaler, unclassified acquirer**  
 9 **other than a manufacturer, or secondary wholesaler.** An unclassified  
 10 acquirer does not include a wholesaler.

11 (gg) ~~(aa)~~ "Vending machine operator" means a person who  
 12 operates 1 or more vending machines **in this state** for the sale of a  
 13 tobacco product and who purchases a tobacco product from a  
 14 manufacturer, licensed wholesaler, or secondary wholesaler.

15 (hh) ~~(bb)~~ "Wholesale price" means the actual price paid **to a**  
 16 **seller** for a tobacco product, ~~including any tax,~~ by a wholesaler or  
 17 unclassified acquirer ~~to a manufacturer, excluding any discounts or~~  
 18 ~~reductions in order to acquire that tobacco product from the~~  
 19 **seller. The wholesale price includes any tax, fee, licensing, or**  
 20 **other charge, except as otherwise provided in this subdivision,**  
 21 **reflected on the invoice, bill of sale, purchase order, or other**  
 22 **document evidencing the sale or purchase of the tobacco product.**  
 23 **Wholesale price does not include, if separately stated on the**  
 24 **invoice, bill of sale, purchase order, or other document evidencing**  
 25 **the sale of the tobacco product, shipping or handling charges for**  
 26 **cigarettes, and reasonable shipping or handling charges for tobacco**  
 27 **products other than cigarettes such as transportation, shipping,**  
 28 **postage, handling, crating, or packing. When items or products,**  
 29 **other than tobacco products, are included in a transaction for the**



1 purchase of tobacco products by a wholesaler or unclassified  
 2 acquirer, charges for those products or items that are not tobacco  
 3 products, including shipping and handling charges, may be excluded  
 4 from the wholesale price if separately stated on the invoice, bill  
 5 of sale, purchase order, or other document evidencing the sale or  
 6 purchase. The wholesale price shall not be reduced due to any  
 7 rebate, trade allowance, licensing or exclusivity agreement, volume  
 8 or other discount, or any other reduction given by the seller or  
 9 passed on to or otherwise received by the wholesaler or  
 10 unclassified acquirer from the seller. If the wholesaler or  
 11 unclassified acquirer has a relationship as described in section  
 12 267(b) of the internal revenue code of 1986, 26 USC 267, with the  
 13 seller, the department may establish the wholesale price for the  
 14 tobacco products based on the best available information or any  
 15 other reasonable proxy for the wholesale price including, but not  
 16 limited to, the wholesale price paid by other taxpayers for those  
 17 tobacco products within the past 4 years.

18 (ii) ~~(ee)~~ "Wholesaler" means a person who purchases all or  
 19 part of ~~his or her~~ **its** tobacco products from a manufacturer ~~, and~~  
 20 who sells 75% or more of those tobacco products to others for  
 21 resale. ~~, and who maintains an established business where~~  
 22 ~~substantially all of the business is the sale of tobacco products~~  
 23 ~~or cigarettes and related merchandise at wholesale and where at all~~  
 24 ~~times a substantial stock of tobacco products and related~~  
 25 ~~merchandise is available to retailers for resale.~~ Wholesaler  
 26 includes a chain of stores retailing a tobacco product to the  
 27 consumer if 75% of its stock of tobacco products is purchased  
 28 directly from the manufacturer.

29 (jj) "Wrap" means an individual tobacco wrapper that is made



1 wholly or in part from tobacco, including reconstituted tobacco,  
 2 whether in the form of tobacco leaf, sheet, or tube, if the wrap is  
 3 designed to be offered, or is offered, for sale to consumers to  
 4 create or to use as a component part of a tobacco product.

5       Sec. 11. (1) A person, ~~either as principal or agent, not~~  
 6 **licensed under this act as either a wholesaler or unclassified**  
 7 **acquirer that is not a manufacturer**, shall not sell or solicit a  
 8 sale of a tobacco product to be shipped, mailed, or otherwise  
 9 **imported**, sent or brought into the state, to a person not a  
 10 ~~licensed manufacturer, licensed wholesaler, licensed secondary~~  
 11 ~~wholesaler, licensed vending machine operator, licensed~~  
 12 ~~unclassified acquirer, licensed transporter, or licensed~~  
 13 ~~transportation company~~, **licensed under this act**, unless the tobacco  
 14 product is to be sold ~~to or~~ through a ~~licensed wholesaler or~~  
 15 **unclassified acquirer other than a manufacturer, licensed under**  
 16 **this act.**

17       (2) A person, in this state, that is not licensed under this  
 18 act, shall not order, purchase, or otherwise engage in a  
 19 transaction to acquire a tobacco product that is to be shipped,  
 20 mailed, imported, sent, or brought into this state unless that  
 21 tobacco product is to be sold through a wholesaler or unclassified  
 22 acquirer other than a manufacturer, licensed under this act. A  
 23 tobacco product ordered, purchased, or acquired by a person in  
 24 violation of this subsection is contraband subject to seizure and  
 25 forfeiture under section 9. A person who violates this subsection  
 26 shall be considered to be in control or possession of a tobacco  
 27 product in violation of this act for purposes of section 8(1),  
 28 regardless of whether that tobacco product has been sold, consumed,  
 29 or otherwise disposed of. Any limitation on the tax applicable to



1 cigars under section 7(1)(g) shall not apply, or otherwise be taken  
2 into account, for purposes of determining the liability for taxes  
3 and penalties under section 8(1) arising from a violation of this  
4 subsection.

5 (3) Except as provided in section 8(2) regarding  
6 representatives of a licensed manufacturer, a retailer in this  
7 state shall not purchase, possess, acquire for resale at retail, or  
8 sell a tobacco product in this state unless that tobacco product  
9 was purchased or otherwise acquired directly from a wholesaler,  
10 unclassified acquirer other than a manufacturer, or secondary  
11 wholesaler, licensed under this act. A retailer who violates this  
12 subsection shall be considered to be in control or possession of a  
13 tobacco product in violation of this act for purposes of section  
14 8(1), regardless of whether that tobacco product has been sold,  
15 consumed, or otherwise disposed of. Any limitation on the tax  
16 applicable to cigars under section 7(1)(g) shall not apply, or  
17 otherwise be taken into account, for purposes of determining the  
18 liability for taxes and penalties under section 8(1) arising from a  
19 violation of this subsection.

20 (4) A retailer shall be considered to have purchased or  
21 otherwise acquired a tobacco product in compliance with subsection  
22 (3) if all of the following conditions are met:

23 (a) The retailer obtains a copy of the license of the  
24 wholesaler, secondary wholesaler, or unclassified acquirer other  
25 than a manufacturer at the time of purchase or acquisition.

26 (b) The license described in subdivision (a) was not expired  
27 at the time the tobacco product was purchased or otherwise acquired  
28 by the retailer.

29 (c) The copy of the license is preserved by the retailer in



1 the same manner, for the same period of time, and offered for  
 2 inspection as required of other statements and records under  
 3 section 6.

4 (5) Notwithstanding anything in this act to the contrary, a  
 5 licensee may provide a copy of its license to a retailer for  
 6 purposes of this section. A retailer that obtains a copy of the  
 7 license for a particular licensee under this section is not  
 8 required to obtain another copy of the license for subsequent  
 9 purchases or acquisitions of tobacco products from that licensee  
 10 which are made during the active license year and prior to the  
 11 expiration of that license.

12 (6) ~~(2) All~~ Subject to subsection (1), all sales conducted  
 13 through the ~~Internet, internet~~, by telephone, or in a mail-order  
 14 transaction shall not be completed unless, before each delivery of  
 15 ~~cigarettes~~ **tobacco products** is made, whether through the mail,  
 16 through a transportation company, or through any other delivery  
 17 system, the seller has obtained from the purchaser an affirmation  
 18 that includes a copy of a valid government-issued document that  
 19 confirms the purchaser's name, address, and date of birth showing  
 20 that the purchaser is at least the legal minimum age to purchase  
 21 ~~cigarettes;~~ **tobacco products**; that the ~~cigarettes~~ **tobacco products**  
 22 purchased are not intended for consumption by an individual who is  
 23 younger than the legal minimum age to purchase ~~cigarettes;~~ **tobacco**  
 24 **products**; and a written statement signed by the purchaser that  
 25 affirms the purchaser's address and that the purchaser is at least  
 26 the minimum legal age to purchase ~~cigarettes.~~ **tobacco products**. The  
 27 statement shall also confirm that the purchaser understands that  
 28 signing another person's name to the affirmation is illegal; that  
 29 the sale of ~~cigarettes~~ **tobacco products** to individuals under the



1 legal minimum purchase age is illegal; and that the purchase of  
 2 ~~cigarettes~~ **tobacco products** by individuals under the legal minimum  
 3 purchase age is illegal under the laws of the state of Michigan.  
 4 The seller shall verify the information contained in the  
 5 affirmation provided by the purchaser against a commercially  
 6 available database of governmental records, or obtain a photocopy,  
 7 fax copy, or other image of the valid, government-issued  
 8 identification stating the date of birth or age of the purchaser.

9 ~~(7) (3) All~~ **Subject to subsection (1), all** invoices, bills of  
 10 lading, sales receipts, or other documents related to ~~cigarette~~  
 11 **tobacco product** sales conducted through the internet, by telephone,  
 12 or in a mail-order transaction shall contain the current seller's  
 13 valid Michigan sales tax ~~registration number,~~ **license number or use**  
 14 **tax registration number,** business name and address of the seller,  
 15 and a statement as to whether all sales taxes **or use taxes, as**  
 16 **applicable,** and taxes levied under this act have been paid. All  
 17 packages of ~~cigarettes~~ **tobacco products** shipped from a ~~cigarette~~  
 18 **tobacco product** seller to purchasers who reside in Michigan shall  
 19 clearly print or stamp the package with the word **"CIGARETTES"**  
 20 **"TOBACCO PRODUCTS"** on the outside of all sides of the package so it  
 21 is clearly visible to the shipper. ~~In addition, the package shall~~  
 22 ~~contain an externally visible and clearly legible notice located on~~  
 23 ~~the same side of the package as the address to which the package is~~  
 24 ~~delivered, as follows:~~

25 ~~"IF THESE CIGARETTES HAVE BEEN SHIPPED TO YOU FROM A SELLER~~  
 26 ~~LOCATED OUTSIDE OF THE STATE IN WHICH YOU RESIDE, THE SELLER HAS~~  
 27 ~~REPORTED UNDER FEDERAL LAW THE SALE OF THESE CIGARETTES TO OUR~~  
 28 ~~STATE TAX COLLECTION AGENCY, INCLUDING YOUR NAME AND ADDRESS. YOU~~  
 29 ~~ARE LEGALLY RESPONSIBLE FOR ALL APPLICABLE UNPAID STATE TAXES ON~~



1 ~~THESE CIGARETTES."~~

2 If an order is made as a result of advertisement over the  
3 Internet, ~~internet~~, the tobacco retailer shall request the  
4 electronic mail address of the purchaser and shall receive payment  
5 by credit card or check before ~~shipping. completing the sale.~~ This  
6 subsection ~~and subsection (2) do~~ **does** not apply to sales by  
7 wholesalers and unclassified acquirers **licensed under this act.**

8 (8) ~~(4)~~The deliverer of the ~~cigarettes tobacco products~~ is  
9 required to obtain proof from a valid government-issued document  
10 that the person signing for the ~~cigarettes tobacco products~~ is the  
11 purchaser.

12 (9) ~~(5)~~Beginning November 1, 2012, a retailer ~~that is not~~  
13 ~~licensed as an unclassified acquirer, retail importer of tobacco~~  
14 ~~products other than cigarettes, not otherwise licensed or required~~  
15 **to be licensed under this act** shall post a sign, visible to the  
16 public inside the retail establishment that informs purchasers of  
17 cigars through catalog sales, **telephone or mail orders**, or Internet  
18 **internet** sales of their ~~responsibility to pay all liability for any~~  
19 applicable unpaid state taxes on those cigars **and that cigars**  
20 **purchased in violation of this act are contraband.**

21 (10) ~~(6)~~As used in this section:

22 (a) "Computer" means any connected, directly interoperable or  
23 interactive device, equipment, or facility that uses a computer  
24 program or other instructions to perform specific operations,  
25 including logical, arithmetic, or memory functions with or on  
26 computer data or a computer program, and that can store, retrieve,  
27 alter, or communicate the results of the operations to a person,  
28 computer program, computer, computer system, or computer network.

29 (b) "Computer network" means the interconnection of hardware



1 or wireless communication lines with a computer through remote  
2 terminals or a complex consisting of 2 or more interconnected  
3 computers.

4 (c) "Computer program" means a series of internal or external  
5 instructions communicated in a form acceptable to a computer that  
6 directs the functioning of a computer, computer system, or computer  
7 network in a manner designed to provide or produce products or  
8 results from the computer, computer system, or computer network.

9 (d) "Computer system" means related, connected or unconnected,  
10 computer equipment, devices, software, or hardware.

11 (e) "Credit card" means a card or device issued by a person  
12 licensed under 1984 PA 379, MCL 493.101 to 493.114, or under the  
13 consumer financial services act, 1988 PA 161, MCL 487.2051 to  
14 487.2072, or issued by a depository financial institution as  
15 defined in section 1a of the mortgage brokers, lenders, and  
16 services licensing act, 1987 PA 173, MCL 445.1651a, under a credit  
17 card arrangement.

18 (f) "Device" includes, but is not limited to, an electronic,  
19 magnetic, electrochemical, biochemical, hydraulic, optical, or  
20 organic object that performs input, output, or storage functions by  
21 the manipulation of electronic, magnetic, or other impulses.

22 (g) "Internet" means the connection to the World Wide Web  
23 through the use of a computer, a computer network, or a computer  
24 system.

25 (h) "Sale conducted through the ~~Internet~~ **internet**" means a  
26 sale of, a solicitation to sell, a purchase of, or an offer to  
27 purchase ~~cigarettes~~ **tobacco products** conducted all or in part by  
28 accessing an ~~Internet~~ **internet** website.

