Tobacco Tax

Information

By

State

Updated August 2017
DISCLAIMER

The information in this publication was obtained in May and June of 2017 and may have changed by the time of print.

**DO NOT** rely on this publication as the current laws of the states. The information contained herein is for general information purposes only.
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STATE OF ALABAMA

General Information

Section 1 - Contact Information
Agency: Department of Revenue
Mailing Address: P.O. Box 327555
City, State, Zip Code: Montgomery, AL 36132-7555
Phone Number: (334) 242-9627
Fax Number: (334) 353-1011
E-mail Address: Tobacco.account@revenue.alabama.gov
Website: http://www.revenue.alabama.gov

Section 2 - Statutes, Regulations and Rules
Tobacco Tax: Found in Title 40, Chapter 25, Code of Alabama 1975
Laws: http://revenue.alabama.gov/tobaccotax/law/index.cfm
Rules: http://revenue.alabama.gov/licenses/rules.cfm

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Per Section 40-25-1 & 40-25-2

(1) LITTLE CIGARS. Upon cigars of all descriptions, including filtered cigars, made of tobacco, or any substitute therefor, and weighing not more than three pounds per 1,000, $.04 for each ten cigars, or fractional part thereof.
(2) FILTERED CIGARS. Upon filtered cigars that have a cellulose acetate or similar integrated filter, made of tobacco, or any substitute therefor, and weighing more than three pounds per 1,000, $0.015 for each filtered cigar.
(3) CHEROOTS, STOGIES, CIGARS, ETC. Upon all other cigars of any descriptions made of tobacco, or any substitute therefor, $40.50 per thousand cigars, or $0.0405 each.
(4) CIGARETTES. Upon all cigarettes made of tobacco, or any substitute therefor, 33.75 mills on each such cigarette.

(5) SMOKING TOBACCO. Upon all smoking tobacco, including granulated, plug cut, crimp cut, ready rubbed, and other kinds and forms of tobacco prepared in such manner as to be suitable for smoking in a pipe or cigarette, upon each package: Weighing not more than one and one-eighth ounces, tax $.04; over one and one-eighth ounces, not exceeding two ounces, tax $.10; over two ounces, not exceeding three ounces, tax $.16; over three ounces, not exceeding four ounces, tax $.21; $.06 additional tax for each ounce or fractional part thereof over four ounces.

(6) CHEWING TOBACCO. Upon all chewing tobacco prepared in such manner as to be suitable for chewing only and not suitable for smoking as described and taxed in subdivision (9) of this subsection: $.015 per ounce or fractional part thereof.

(7) SNUFF. Upon each can or package of snuff weighing not more than five-eighths ounces, one cent tax; over five-eighths ounces and not exceeding one and five-eighths ounces, $.02 tax; over one and five-eighths ounces and not exceeding two and one-half ounces, $.04 tax; over two and one-half ounces and not exceeding five ounces (cans, packages, gullets), $.06 tax; over three ounces and not exceeding five ounces (glasses, tumblers, bottles), seven cents tax; over five ounces and not exceeding six ounces, $.08 tax; weighing over six ounces, an additional $.12 for each ounce or fractional part thereof.

(8) CIGAR WRAP. An individual tobacco wrapper that is made wholly or in part from tobacco, including reconstituted tobacco, whether in the form of tobacco leaf, sheet, or tube, if the wrap is designed to be offered to or purchased by a consumer. There is hereby levied a tax upon all cigar wrappers manufactured using tobacco sold at wholesale in this state or imported into this state for use, consumption, or sale at retail. The tax shall be levied upon each package in the following amounts: Weighing not more than one and one-eighth ounces, four cents ($.04); over one and one-eighth ounces, not exceeding two ounces, ten cents ($.10); over two ounces, not exceeding three ounces, sixteen cents ($.16); over three ounces, not exceeding four ounces, twenty-one cents ($.21); and six cents ($.06) additional tax for each ounce or fractional part thereof over four ounces.

Section 4 - The Basis for the Tax

Please see Section 3 for the tax basis.

Section 5 - Tax Rates and Miscellaneous Fees

Please see Section 3 for tax rates and fees.

Section 6 - Rate Updates

No rate updates at this time. Any rate change would require a Legislative Act.
Section 7 - State Collection Allowance or Discount

The Department of Revenue is hereby authorized and directed to have prepared and distributed stamps suitable for denoting the tax on all articles enumerated herein. Any person, firm, corporation, or association of persons, other than the Department of Revenue, who sells tobacco tax stamps not affixed to tobacco sold and delivered by them, whether the stamps be genuine or counterfeit, shall be guilty of a felony and punishable as set out in Section 40-25-6. When wholesalers or jobbers have qualified as such with the Department of Revenue, as provided in Section 40-25-16, and desire to purchase stamps as prescribed herein for use on taxable tobaccos sold and delivered by them, the Department of Revenue shall allow on such sales of tobacco tax stamps a discount of 4.75 percent on the entire amount of the sale.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

For cigarettes, when the stamp is applied.

For OTP, when the product is brought into the state.

Section 10 - Tax Return Due Dates

Tax returns are due on the 20th of the month for the previous month’s activity. If due date falls on a holiday or weekend the tax return is due the following business day.

Section 11 – Tax Return Filings

Returns must be filed electronically through our portal My Alabama Taxes (MAT).

Section 12 – Tax Collection

All payments for $750 or more in a given month obligate the taxpayer to remit taxes by Electronic Funds Transfer (EFT), i.e., MATS. Payments must be initiated prior to 4 pm CDT to be considered timely.
Section 13 - Penalties for Late Filing

Per Section 40-2A-11, failure to timely file return: if a taxpayer fails to file any return required to be filed with the department on or before the date prescribed therefor, determined with regard to any extension of time for filing, there shall be assessed as a penalty the greater of 10 percent of any additional tax required to be paid with the return or fifty dollars ($50).

Per Section 40-2A-11, failure to timely pay: 10 percent of the unpaid amount shown as tax due on the return or the amount stated in the notice and demand.

Section 14 – Local Jurisdictional Tax

Local jurisdictions also impose a tax.

Section 15 - Floor Stock Tax

A floor stock tax is imposed when there is a change in tax rate.

Section 16 – Qualifying Exemptions

See Section 40-25-15.

(a) A wholesaler or jobber, as defined in Section 40-25-1 and who is duly qualified as such wholesaler or jobber under Section 40-25-16, may sell tobacco products enumerated herein without the Alabama Revenue Stamps affixed thereto; provided, that: Such products are sold and shipped or delivered in interstate commerce to a person outside of this state, and such wholesaler or jobber shall have on file, for a period of three years, subject to inspection by the department, a record of such sale, and also the original purchase order, and a copy of the invoice therefor, and a receipt from a common carrier, contract carrier or post office showing shipment for delivery in such other state, or, if delivered by such dealer to the purchaser at a point outside of the State of Alabama, a receipt showing such delivery in addition to the record, original purchase order and copy of the invoice relating to such sale.

(b) Such duly qualified wholesaler or jobber may sell tobacco products enumerated herein without the Alabama Revenue Stamps affixed thereto; provided that:
   (1) Such products are sold to a person, who is engaged in business as a dealer in such products in another state,
   (2) Such products are purchased exclusively for resale in such other state, and
   (3) Such products are at the time of sale properly stamped by the Alabama wholesaler or jobber with revenue stamps authorized and issued by such other state for use upon such tobacco products, and such wholesaler or jobber shall have
on file, for a period of three years, subject to inspection by the department, a record of such sale, the original purchase order and copy of invoice therefor, a receipt from such purchase showing that such purchase was made exclusively for resale in such other state, and a record showing the purchase and use of such revenue stamps of such other state.

(c) Tobacco products enumerated herein may be sold by such duly qualified wholesalers or jobbers, without revenue stamps affixed thereto, when sold to the United States or to any instrumentality thereof for resale to or for use or consumption by members of the Armed Services of the United States; provided, that the books and records, including original purchase orders and copy of invoices showing such sales are kept on file for a period of three years, subject to inspection by the department.

(d) Tobacco products enumerated herein may be sold by such duly qualified wholesalers or jobbers, without revenue stamps affixed thereto, when sold and delivered to ships regularly engaged in foreign commerce or coastwise shipping between points in this state and points outside of this state for resale to or for use or consumption upon such ship or in foreign commerce.

Section 17 - Laws or Rules for Tribal Sales

All sales of tobacco products (cigarettes, snuff, chewing tobacco, smoking tobacco, R-Y-O, cigars, little cigars, filtered cigars and cigar wrappers) to a reservation tobacco vendor are taxable.

Section 18 - Information Required on a Customer Invoice

Wholesaler invoices must show the State tobacco tax separately, per each line item, from the price of the tobacco products. Wholesaler invoices must be computer or machine generated and the seller’s/supplier’s name must be on the invoice. In addition, a Sale for Resale Report must be filed each month.

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

See Act 2017-294 Wholesale to Retail Accountability Program
License Information

Section 40-25-16 requires tobacco wholesalers to become permitted with the Department of Revenue. Applications may be found at http://revenue.alabama.gov/tobaccotax/ttforms.cfm

Section 40-25-19 requires persons transporting/distributing tobacco products to obtain a transporters permit. Applications may be found at http://revenue.alabama.gov/tobaccotax/ttforms.cfm

Per Section 40-12-72 & 40-12-73 retailers and wholesalers of tobacco products are required to obtain a business privilege license from the county probate office where the business is located. See license handbook at http://revenue.alabama.gov/publications/business-taxes/licenses/Handbook_of_Privilege &_ Store_Licenses.pdf.

In addition, local taxes and/or license fees, county or municipal, may be imposed on the sale or use of cigarettes and shall be paid to the local government through the use of stamps affixed to the product.

Do licenses need to be renewed and if so, how frequently?
Wholesale stamping permits are not required to be renewed. Transporters permits and Business privilege licenses are required to be renewed yearly. Please contact the local governments concerning their license renewal procedures.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

The stamps are colored, serially numbered and either machine applied or heat applied.

Section 2 – Acquiring Stamps

Stamps are purchased directly from the Department. The wholesaler may order the stamps via MAT, fax, or call in a stamp order to purchase stamps.

How are stamps delivered to the wholesaler/distributor?
Via FedEx and an account number must be provided.
Section 3 - Bond Requirements

Per Section 40-25-6, the Department of Revenue selling such stamps to such jobbers or wholesalers for cash, it may consign such stamps, if and when such wholesaler or jobber shall give to the Department of Revenue a good and sufficient bond executed by some surety company authorized to do business in this state, conditioned to secure the payment for the stamps so consigned when and as they are used on manufactured tobacco products by such wholesaler or jobber. Every wholesaler or jobber purchasing stamps on consignment as described herein, shall be required to make a full and complete accounting and remittance on or before the twentieth of each month for all stamps used on taxable tobaccos during the preceding month.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?  
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?  
Yes.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?  
No.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?  
No.

Section 6 – Refund Limitations

According to Section 40-2A-7(c)(2)(a), Code of Alabama 1975, the statute of limitations for filing a petition for refund is two years from the date of payment of the tax. Unused stamps can only be returned if the company is going out of business.

Section 7 – Credit Process for Manufacturer Returns

Complete a wholesaler’s refund worksheet and petition for refund and mail to our office. Required documentation is listed on the refund worksheet.
Section 8 – Other Allowed Credits

Credits are allowed on the OTP return for tax paid on product that was returned to the manufacturer.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Wholesalers file a report which is verified monthly. No refund is given if product is over-stamped. If the discrepancy is the result of under-stamping it is handled via a field audit of the taxpayer’s records.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

The PACT Act amends and extends the Jenkins Act provisions governing delivery of each and every shipment of cigarettes or smokeless tobacco made during the previous calendar month in interstate commerce. According to the PACT Act, any person making shipments, advertising or offering cigarettes or smokeless tobacco for distribution into the State shall comply with the following requirements:

- First file/register with the State. (File with the Alabama Department of Revenue.)
- File monthly reports with the tobacco tax State administrator, locality or Indian country into which cigarettes and smokeless tobacco distributions are made. The report is due by the 10th of the month for the previous month’s activity. For State of Alabama purposes, file the enclosed Monthly Jenkins Act Report (Form # TOB: JEN-ACT) with the Alabama Department of Revenue.
- Properly label the packaging. (See the Jenkins Act for the appropriate label.)
- Not exceed the weight restriction. (Delivery sellers shall not make a single sale or single delivery exceeding 10 pounds.)
- Use proper age verification. (For Alabama, a minor is defined as any person under the age of 19 years.)
- Maintain proper records.
- Ensure that excise taxes are paid, and that stamps are applied. (However, this requirement is currently enjoined for certain sellers.)
- Report is Emailed or mailed to our office.
STATE OF ALASKA

General Information

Section 1 - Contact Information

Tax Filing and Audit:

Contact Person: Barry Grafel
Agency: Department of Revenue
Mailing Address: 550 W 7th Ave, Ste 500
City, State, Zip Code: Anchorage, Alaska 99501
Phone Number: (907) 269-3952
Fax Number: (907) 269-6644
E-mail Address: barry.grafel@alaska.gov
Website: http://www.tax.alaska.gov/

MSA:

Contact Person: Emily Walker
Agency: Department of Revenue
Mailing Address: 550 W 7th Ave, Ste 500
City, State, Zip Code: Anchorage, Alaska 99501
Phone Number: (907) 269-3979
Fax Number: (907) 269-5200
E-mail Address: Emily.walker@alaska.gov
Website: http://www.tax.alaska.gov/
Section 2 - Statutes, Regulations and Rules


Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

A cigarette is defined as a roll for smoking of any size or shape, made wholly or partly of tobacco whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco.

Other tobacco products include cigars, also known as cheroots or stogies, perique, snuff and snuff flour, smoking tobacco, including granulated, plug-cut, crimp-cut, ready-rubbed and any form of tobacco suitable for smoking in a pipe or cigarette, chewing tobacco, including Cavendish, twist, plug, scrap, and tobacco suitable for chewing, or articles or products made of tobacco or a tobacco substitute, but not including cigarettes as defined above.

Section 4 - The Basis for the Tax

Wholesale price” means “(a) the established price for which a manufacturer sells a tobacco product to a distributor, after deduction of a discount or other reduction received by the distributor for quantity or cash if the manufacturer’s established price is adequately supported by bona fide arm’s length sales as determined by the department; (b) or the price, as determined by the department, for which tobacco products of comparable retail price are sold to distributors in the ordinary course of trade if the manufacturer’s established price does not meet the standards of (a) of this paragraph” (AS 43.50.390(5)).
Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes:
Equivalent tax per standard pack of 20: $2.00 (AS 43.50.90(a), AS 43.50.190(a) (3)).

Statutory rate:
38 mills per cigarette (AS 43.50.90(a)) plus 62 mills per cigarette (AS 43.50.190(a) (3)) for a total of 100 mills per cigarette.

Tobacco Products:
Seventy-five percent (75%) of the wholesale price of such products (AS 43.50.300).

Equity Assessment on Non-Participating Manufacturer (NPM) Cigarettes:
Equivalent assessment per standard pack of 20: 25¢ (AS 43.50.200(a)).

Statutory rate:
12.5 mills per cigarette (AS 43.50.200(a)).

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Cigarettes
Licensees affixing excise tax stamps are allowed a discount, in a calendar year, of: (1) 3% for the first $1,000,000 or less of stamps purchased; (2) 2% for purchases over $1,000,000, but less than $2,000,000; and (3) 0% on all purchases over $2,000,000. The Department of Revenue may reduce or eliminate the discount given to a licensee if the licensee fails to meet the requirements of this section of the law (AS 43.50.540(c)).

Tobacco Products
The licensee shall remit the tax due for the month covered by the return, after deducting four-tenths of one percent of the tax due, which the licensee shall retain to cover the expense of accounting and filing the return (AS 43.50.330(b)).

Section 8 - Any Other Permissible Allowances

None noted.
Section 9 – The Point at Which Tax is imposed

The tax is levied on the importation or acquisition of cigarettes in the State. The tax is levied regardless of whether or not the cigarettes are resold. Thus, cigarettes brought into the State for personal consumption are taxed (AS 43.50.090).

The tax on other tobacco products, excluding cigarettes, is levied when a person brings tobacco products into the State for resale, manufactures a tobacco product in the State for sale or ships tobacco products to a retailer in the State for sale by the retailer. Other tobacco products brought into the State for personal consumption are not subject to the tax (AS 43.50.300).

Section 10 - Tax Return Due Dates

Tax returns are due on the 20th of the month for previous month’s activity. It is considered timely if the postmark date is on time and it is late if the received date is late.

Section 11 – Tax Return Filings

Electronic filing is required through the Tax Division’s online tax portal Revenue Online. Waivers from the on-line filing requirement are available.

Section 12 – Tax Collection

If the Electronic payment is initiated before the due date the payment is timely. If the payment is made after the due date the payment is not effective until the payment is received or settled.

Section 13 - Penalties for Late Filing

Returns not filed by the due date are subject to a failure to file penalty of 5% of the unpaid tax for each 30 day period or portion of a period the return is late, up to a maximum of 25%.

Section 14 – Local Jurisdictional Tax

Yes.

Section 15 - Floor Stock Tax

No.
Section 16 – Qualifying Exemptions

Cigarettes:
Cigarettes imported or acquired by a military exchange, commissary, or ship store are exempt from tax if the cigarettes are sold to and for the sole use of authorized personnel according to current military regulations (Alaska Administrative Code (15 AAC 50.100(a)).

Cigarettes imported or acquired by an Indian operating a cigarette business within an Indian reservation are exempt from tax if the cigarettes are sold to and for the sole use of Indians. Cigarettes imported or acquired by an Indian operating a cigarette business within an Indian reservation are not exempt from the tax under this chapter if sold to a non-Indian, and the tax from those nonexempt sales must be collected, reported, and remitted (15 AAC 50.100(d)).

Tobacco Products:
A facility operated by one of the uniformed services of the United States is exempt from the State’s tobacco product tax (AS 43.50.310(a)).

Section 17 - Laws or Rules for Tribal Sales

Cigarettes and tobacco products imported or acquired by an Indian operating a cigarette business within an Indian reservation, or which he/she is a member, are exempt from tax if the cigarettes are sold to and for the sole use of members of the reservation. Cigarettes imported or acquired by an Indian operating a cigarette business within an Indian reservation are not exempt from the tax if sold to anyone who is not a member of the reservation. Alaska regulations currently define an Indian reservation as:

All land set aside by the United States for the exclusive use and occupancy of Indian tribes which are recognized as Indian reservations under federal law and, as of February 2, 1983, includes only the Annette Islands Reserve set aside by the United States for the exclusive use and occupancy of the Metlakatla Indian Community.

Pending decision by the U.S. Supreme Court, Indian sales on trust lands held by the Klawock Indian Community, set aside for the exclusive use and occupancy of an Indian tribe, are also exempt from taxation.

Section 18 - Information Required on a Customer Invoice

An invoice for the sale of cigarettes must contain a statement in bold letters stating whether the tax under this chapter has been paid on the cigarettes sold.
Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue Criminal Investigations Unit

Section 20 – New or Pending Legislation

None noted.

License Information

License applications may be submitted at Revenue Online https://onlinetax.alaska.gov/ATP/WebDoc/

A person may not sell, purchase, possess, or acquire cigarettes as a manufacturer, distributor, direct-buying retailer, vending machine operator, or buyer without a license (AS 43.50.010(a)). The Department of Revenue, upon application and payment of the fee, shall issue a license to each manufacturer, distributor, direct-buying retailer, vending machine operator, or buyer. The department shall adopt reasonable regulations that it considers necessary in respect to the application for and the issuance of licenses (AS 43.50.010(b)). The Department of Revenue may refuse to issue a license if there is reasonable cause to believe that the applicant has willfully withheld information requested to determine the applicant's eligibility to receive a license, or if there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith (AS 43.50.010(c)).

Cigarettes:
The licenses are annual and are renewable on or before June 30 (AS 43.50.040). The fees are as follows:

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(AS 43.50.030)

License Renewal:
The licenses are annual and are renewable on or before June 30 (AS 43.50.040).
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

These stamps must be Fusion or equivalent stamps or equal consisting of five impressions or layers, including safety tint lettering. Each stamp is to be of irregular shape and outline and shall contain not less than three distinctive colors. After primary printing, stamps will be commonly overprinted within each roll with a legible code consisting of not less than five alphanumeric characters and the individual stamp number on the second line 00001 through 15,000.

Section 2 – Acquiring Stamps

Orders are placed online using the Revenue tax portable Revenue Online or by fax.

How are stamps delivered to the wholesaler/distributor?
A FedEx and/or UPS account and or stamps or stamps may be picked up in the Anchorage Tax Division office.

Section 3 - Bond Requirements

A licensee may apply to the Department of Revenue to purchase stamps on a deferred-payment basis. Upon receipt of the application and the bond required, the department may set the maximum dollar amount of stamps that the licensee is authorized to purchase on a deferred-payment basis in a calendar month (AS 43.50.550(a)).

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Yes.
Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes.
Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)? 80% must be attached to the pack.

Section 6 – Refund Limitations

No Limits.

Section 7 – Credit Process for Manufacturer Returns

A person paying tax on cigarettes which are destroyed, or which are returned unsalable to the manufacturer, before sale, may claim a credit on a return of the tax paid on the destroyed or unsalable cigarettes.

If a claim for credit is made for destroyed cigarettes, the claim for credit must be supported by a form issued by the U.S. Department of Treasury substantiating the destruction. If a claim for credit is made for cigarettes returned unsalable, the claim for credit must be supported by a credit invoice issued by the manufacturer.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

No Process.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.
Pact Act Reporting

Each month, any person who sells, transfers, ships, advertises, or offers for sale cigarettes or smokeless tobacco in interstate commerce must file with the tobacco tax administrator of the state into which the shipment is made, a report or a copy of the invoice covering each and every shipment of cigarettes or smokeless tobacco made during the previous calendar month into the state. The report or invoice information must be organized by customer’s city or town, and by zip code, and include:

• The name and address of the person to whom the shipment was made;
• The brand and quantity of cigarettes or smokeless tobacco; and
• The name, address, and telephone number of the person delivering the shipment to the recipient on behalf of the delivery seller.
• The monthly filings of shipments into the State of Alaska as described above should be sent to: or emailed to dor.tax.cigarette@alaska.gov

State of Alaska, Department of Revenue, Tax Division
550 7th Avenue, Suite 500
Anchorage, AK 99501
STATE OF ARIZONA

NO INFORMATION RECEIVED

General Questions

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF ARKANSAS

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

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Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 – Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF CALIFORNIA

General Information

Section 1 - Contact Information

Agency: California Department of Tax and Fee Administration  
FTA Contact: Richard Parrott

Mailing Address:

City, State, Zip Code:

Phone Number: Customer Service (800) 400-7115  
Richard Parrott (916) 552-8637

Fax Number:

E-mail Address: Richard.Parrott@cdtfa.ca.gov

Website: http://www.cdtfa.ca.gov/

Agency: AGO/DOJ  
California Attorney General’s Office-Tobacco Section

Barry D. Alves  
Deputy Attorney General  
Office of the Attorney General  
Tobacco Litigation and Enforcement Section

Mailing Address:

City, State, Zip Code:

Phone Number: AGO/DOJ (916) 565-6486  
Barry D. Alves (916) 445-8212

Fax Number:

E-mail Address: tobacco@doj.ca.gov  
Barry.Alves@doj.ca.gov
Section 2 - Statutes, Regulations and Rules

Industry Guide:

http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html

Laws:


Prevent All Cigarette Trafficking (PACT) Act (PACT ACT)

Regulations:


Publications:

Cigarette Distributor Licensing and Tax Stamp Guide, Publication 63

Sales of Cigarettes and Tobacco Products in California – License Requirements for Retailers, Publication 78

Cigarette and Tobacco Products Tax, Publication 93

Cigarette and Tobacco Products Inspections, Publication 152

Criminal Citations Include a Civil Administrative Process, Publication 161

Special Taxes and Fees Newsletters

California's Counterfeit-Resistant Cigarette Tax Stamp, Publication 403

Master Settlement Agreement, Publication 407

Flavored Cigarettes Banned in the United States, Publication 429

Things to Know Before You Buy Cigarettes and Tobacco Products, Publication 473
Special Notices:

https://boe.ca.gov/pdf/l493.pdf (Special notice summarizing new licensing requirements for wholesalers, distributors and manufacturers of nicotine products)

https://boe.ca.gov/pdf/l505.pdf (Special notice clarifying “retail stock”)  
https://boe.ca.gov/pdf/l469.pdf (Special notice clarifying “wholesale cost”)  
https://boe.ca.gov/pdf/l502.pdf (Special notice regarding new OTP tax rate effective 7/1/17)  
https://boe.ca.gov/pdf/l488.pdf (Special notice regarding cigarette tax increase effective 4/1/17, and the inclusion of electronic cigarettes as OTP)  
https://boe.ca.gov/pdf/l472.pdf (Special notice regarding licensing requirements for retailers of electronic cigarettes and other ENDS devices effective January 1, 2017)

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette definition (Cigarette and Tobacco Products Law (CTPL) Section 30003):

"Cigarette" means any roll for smoking, made wholly or in part of tobacco, irrespective of size or shape and irrespective of whether the tobacco is flavored, adulterated or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material, except where such wrapper is wholly or in the greater part made of tobacco and such roll weighs over three pounds per thousand.

Other Tobacco Products definition (CTPL Section 30121):

"Tobacco products" includes, but is not limited to, a product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigars, little cigars, chewing tobacco, pipe tobacco, or snuff, but does not include cigarettes. Tobacco products shall also include electronic cigarettes. Tobacco products shall not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where that product is marketed and sold solely for such approved use. Tobacco products does not include any food products as that term is defined pursuant to Section 6359.

Electronic Cigarettes definition (CTPL Section 30121):

"Electronic cigarettes" means any device or delivery system sold in combination with nicotine which can be used to deliver to a person nicotine in aerosolized or vaporized form, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. Electronic cigarettes include any component, part, or accessory of such a device that is used during the operation of the device when sold in combination with any liquid or substance containing nicotine. Electronic cigarettes
also include any liquid or substance containing nicotine, whether sold separately or sold in combination with any device that could be used to deliver to a person nicotine in aerosolized or vaporized form. Electronic cigarettes do not include any device not sold in combination with any liquid or substance containing nicotine, or any battery, battery charger, carrying case, or other accessory not used in the operation of the device if sold separately. Electronic cigarettes shall not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where that product is marketed and sold solely for such approved use. As used in this subdivision, nicotine does not include any food products as that term is defined pursuant to Section 6359.

**Section 4 - The Basis for the Tax**

Cigarettes are based on a per stick rate, and OTP is based on wholesale cost. The cigarette tax is paid by purchasing tax stamps, and the OTP tax is paid when filing returns.

Per CTPL section 30017, “wholesale cost” is defined as:

> “Wholesale cost” means the cost of tobacco products to the distributor prior to any discounts or trade allowances.

For more information regarding wholesale cost and how to calculate it can be found in Regulation 4076 ([http://www.boe.ca.gov/lawguides/business/current/btlg/vol3/ctptr/ctptr-reg4076.html](http://www.boe.ca.gov/lawguides/business/current/btlg/vol3/ctptr/ctptr-reg4076.html)).

**Section 5 - Tax Rates and Miscellaneous Fees**

Cigarettes are $2.87 per pack of 20; OTP is 65.08% of wholesale cost.

**Cigarette and Tobacco Products Tax**
([http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm](http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm))

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Cigarettes</th>
<th>Other Tobacco Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2017</td>
<td>$0.1435/cigarette ($2.87/pack of 20s)</td>
<td>65.08% of wholesale cost</td>
</tr>
<tr>
<td>April 1, 2017</td>
<td>$0.1435/cigarette ($2.87/pack of 20s)</td>
<td>27.30% of wholesale cost</td>
</tr>
</tbody>
</table>
Section 6 - Rate Updates

In November 2016, the voters approved Proposition 56, a tax increase to $2.87 per pack effective April 1, 2017. As a result of this increase, the OTP rate increased to 65.08% effective July 1, 2017. The OTP rate is re-evaluated every year in April.

Also as part of the Proposition 56, electronic cigarettes were defined as OTP and subject to the OTP rate effective April 1, 2017.

Section 7 - State Collection Allowance or Discount

There is a discount given to distributors for applying a stamp to each pack of cigarettes (Regulation 4055).

Per CTPL Section 30166: Stamps and meter register settings shall be sold to licensed distributors at their denominated values less a discount of 0.85 percent, which shall be capped at the first one dollar ($1.00) in denominated value. Payment for stamps or meter register settings shall be made at the time of purchase, provided that a licensed distributor, subject to the conditions and provisions of this article, may be permitted to defer payments therefor.

There is no discount for OTP, as tax stamps are not required.

Section 8 - Any Other Permissible Allowances

California does not have an allowance for bad debt credits.

Regarding the theft of stamps, Regulation 4066 does not allow of a refund of stolen stamps:

Refund or credit will not be given for stamps, meter settings or meter impressions which are lost through theft or mysterious disappearance of any unaffixed stamps, any meter, or any packages of cigarettes to which stamps or meter impressions have been affixed. If identifiable stamps, meter settings or meter impressions which have been lost through theft or mysterious disappearance are later recovered, credit or refund may be given under Regulations 4061 or 4065.

Section 9 – The Point at Which Tax is imposed

California Revenue and Taxation Code § 30008:

The cigarette and tobacco products tax is paid by a distributor upon the first distribution of cigarettes and tobacco products in California. A distribution includes the first sale, use or consumption of untaxed cigarettes or untaxed tobacco products in California, and the placing of untaxed cigarettes or untaxed tobacco products into a vending machine or retail stock in California.
Section 10 - Tax Return Due Dates

- Distributors and Wholesalers must file by the 25th of each month (Regulation 4031)
- Manufacturers must file by the 20th of each month. Manufacturers must file either BOE-501-MC or BOE-501-MT. (Regulation 4027)
- If a return due date is on a holiday or weekend, the due date is extended to the first business day after the weekend or holiday. Paper returns must be postmarked by the due date to be considered timely, electronic returns must be received by 11:59 p.m. on the due date to be considered timely.
- Electronic payments must be received by 3:00 p.m. PST to be considered timely.

Section 11 – Tax Return Filings

Some programs have electronic filing as an option. For those programs, the filer can log on to www.cdtfa.ca.gov and click “file a return” at the top of the page. They will select their pertinent program and follow the prompts. There is also an electronic filing guide to help with any additional questions they may have.

Online filing information: https://boe.ca.gov/onlineservices/#File_Return

Some programs still require a paper return.

Section 12 – Tax Collection

There is an option to make an electronic payment through our EFT system. Per CTPL 30190, certain taxpayers are required to make payments by EFT, if they have average tax liabilities over a required threshold.

For the payment to be considered timely, it must be received by 3 p.m. PST.

Section 13 - Penalties for Late Filing

There is a 10% late filing and a 10% late payment penalty. Failure to pay timely for cigarette stamps could impact the ability to order stamps on credit. (Publication 63)

Section 14 – Local Jurisdictional Tax

Currently local jurisdictions do not have the ability to impose and additional excise tax.
Section 15 - Floor Stock Tax

Generally when the cigarette tax rate changes there is a floor stock tax. In the past there has also been an OTP floor stock tax, when new legislation is enacted. The application of the floor stock tax is dependent on the language in the legislation to change the rate. Most recently Proposition 56 imposed a floor stock tax on cigarettes, but did not require a floor stock tax on OTP.

Section 16 – Qualifying Exemptions

Certain sales in California are exempt from tax (Pub 93):

- Sales of cigarettes or tobacco products by the original importer to a licensed distributor if the cigarettes or tobacco products are manufactured outside the United States (Revenue and Taxation Code. [R&TC] § 30105);
- Sale or gift of federally tax-free cigarettes or tobacco products when the cigarettes or tobacco products are delivered directly from the manufacturer under Internal Revenue bond to a veteran’s home of the State of California or a hospital or domiciliary facility of the United States Veterans’ Administration for gratuitous issue to veterans receiving hospitalization or domiciliary care. The tax shall not apply to the use or consumption of such cigarettes or tobacco products by the institution or by the veteran patients or domiciliaries. (R&TC § 30105.5);
- Sales of cigarettes or tobacco products by the manufacturer to a licensed distributor. (R&TC § 30103);
- Sales by a distributor to a common carrier engaged in interstate or foreign passenger service. (R&TC § 30104);
- Sales to United States military exchanges, commissaries, ships’ stores, or the U.S. Department of Veterans Affairs. (R&TC § 30102);
- Distributions of federally untaxed cigarettes or tobacco products that are under Internal Revenue bond or U.S. Customs control. (R&TC § 30102.5);
- An individual shipment of not more than 400 cigarettes (typically 20 packs or 2 cartons) personally transported into California. (R&TC § 30106);
- Sales and distributions of cigarettes and tobacco products that cannot be taxed by the state under the U.S. Constitution or federal law, or under the California Constitution or state law, such as shipments to purchasers in other states, territories, or foreign countries when the cigarette and tobacco products are not to be returned to California before use.

Section 17 - Laws or Rules for Tribal Sales

California does not use tribal stamps, however, there is a specific line on the Cigarette Distributor return (BOE-501-CD) for tribes to report unstamped product sold on reservation to tribal members residing on reservation.
Section 18 - Information Required on a Customer Invoice

http://www.boe.ca.gov/pdf/pub78.pdf

Each sales invoice must be legible and include the following information:

- Your name, address, telephone number, and your distributor's license number.
- The name, address, and license number of the business purchasing the cigarettes or tobacco products. You may not legally sell cigarettes or tobacco products to an unlicensed buyer or purchase them from an unlicensed seller.
- The date you sold the cigarettes or tobacco products.
- An itemized list of the cigarettes or tobacco products sold. Cigarettes must be listed by the brand and style names, flavor, filter, and/or packaging when applicable, number of cartons or packs sold, and the sales price. Tobacco products must be listed by brand, type (such as pipe, cigars, or roll-your-own), flavor, packaging (such as pouches, tins, or boxes), quantity sold, and sales price.
- The amount of California cigarette and tobacco products taxes due to the CDTFA by the distributor on the sale of cigarettes and tobacco products. However, a distributor that is also a retailer or manufacturer must include either one of the following on each invoice for the sale of cigarettes or tobacco products:
  - A statement that reads: "All California cigarette and tobacco products taxes are included in the total amount of this invoice."
  - The amount of cigarette and tobacco products taxes due to the CDTFA by the distributor on the distribution of cigarettes and tobacco products.
  - A statement that identifies any cigarettes or tobacco products sold without tax under Revenue and Taxation Code section 30105 (only if you are a distributor that is an original importer of the tobacco products you are selling).

Section 19 – Responsibility by Agency

MSA Reporting: California Attorney General’s Office and the California Department of Tax and Fee Administration
Enforcement/Collection: California Department of Tax and Fee Administration
Product Seizure Authority: California Attorney General’s Office and the California Department of Tax and Fee Administration

Section 20 – New or Pending Legislation

Currently there is no pending legislation; however as previously mentioned Proposition 56 raised the cigarette tax rate, OTP rate and redefined OTP to include e-cigarettes. Assembly Bill 1901 prohibits the possession “unaffixed stamps” that are not purchased from CDTFA or an agent of CDTFA.
## License Information

All businesses engaged in the sale of tangible personal property need to have a seller’s permit to collect sales and use taxes. In addition California has the following types of licenses:

<table>
<thead>
<tr>
<th>If you…</th>
<th>Sales &amp; Use Taxes</th>
<th>Cigarette Tax/Tobacco Products Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell cigarettes and/or tobacco products at retail</td>
<td>Seller’s Permit</td>
<td>Cigarette and Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retailer’s License</td>
</tr>
<tr>
<td>Sell electronic cigarettes, vape pens, vaporizers, nicotine liquid, etc. at retail</td>
<td>Seller’s Permit</td>
<td>Cigarette and Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retailer’s License</td>
</tr>
<tr>
<td>Sell cigarettes at wholesale</td>
<td>Seller’s Permit</td>
<td>Cigarette and Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesaler’s License*</td>
</tr>
<tr>
<td>Import cigarettes from outside of the United States</td>
<td>Seller’s Permit</td>
<td>Cigarette Manufacturer/Importer's License</td>
</tr>
<tr>
<td>Manufacture cigarettes</td>
<td>Seller’s Permit</td>
<td>Cigarette Manufacturer/Importer's License</td>
</tr>
<tr>
<td>Stamp and distribute cigarettes to wholesalers and/or retailers</td>
<td>Seller’s Permit</td>
<td>Cigarette and Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distributor’s License</td>
</tr>
<tr>
<td>Sell tobacco products at wholesale</td>
<td>Seller’s Permit</td>
<td>Cigarette and Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesaler’s License*</td>
</tr>
<tr>
<td>Import and/or manufacture tobacco products</td>
<td>Seller’s Permit</td>
<td>Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Manufacturer/Importer’s License</td>
</tr>
<tr>
<td>Distribute tobacco products</td>
<td>Seller’s Permit</td>
<td>Tobacco Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distributor’s License</td>
</tr>
</tbody>
</table>

**Retailer**

[http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#retailers](http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#retailers)
A retailer is a person who sells cigarettes or tobacco products directly to the public from a California retail location. Retailers cannot purchase or be in possession of unstamped (untaxed) cigarettes or untaxed tobacco products unless they also have a distributor's license. You must hold a California Cigarette and Tobacco Products Distributor's License if you purchase out-of-state tobacco products (untaxed) from an unlicensed seller that did not charge you the tax.

Retail Location

A retail location means both of the following:

1. Any building from which cigarettes or tobacco products are sold at retail.
2. A vending machine.

Wholesalers

http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#retailers

Cigarette Wholesaler:

A cigarette wholesaler is a person, other than a licensed distributor, who sells taxed (stamped) cigarettes, obtained from a licensed distributor or another licensed wholesaler, for resale. Cigarette wholesalers cannot purchase or be in possession of unstamped (untaxed) cigarettes.

Tobacco Products Wholesaler:

A tobacco products wholesaler is a person, other than a licensed distributor, who sells tax-paid tobacco products for resale. Tobacco products wholesalers cannot purchase or be in possession of untaxed tobacco products.

Distributors:

http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#distributors

Cigarette Distributor:

A cigarette distributor is a person or company that purchases untaxed (unstamped) cigarettes and makes the first distribution of cigarettes in this state. In general, distributors purchase cigarettes before any California cigarette tax is due, and then sell stamped cigarettes to wholesalers, other distributors and retailers. Distributors pay the taxes by purchasing cigarette tax stamps from the California Department of Tax and Fee Administration (CDTFA). A cigarette distributor is required to affix the California cigarette tax stamp to each package of cigarettes prior to distribution to indicate that taxes have been paid. Distributors receive a purchase discount of 0.85% of the total tax value per purchase order, which is capped at the first one dollar ($1.00) in denominated value beginning April 1, 2017, to help offset the cost of affixing cigarette tax stamps. Once the cigarette packs are stamped, distributors can sell the stamped cigarettes to wholesalers, retailers, and other distributors. Anyone who distributes cigarettes in California must register with the CDTFA as a cigarette distributor and sell only to distributors, wholesalers or retailers with a valid CDTFA cigarette and tobacco products license.
**Tobacco Products Distributor:**

A tobacco products distributor is a person or company that makes the first distribution of tobacco products in this state. In general, distributors purchase tobacco products before any California tobacco products tax is due and then pay the tax when the tobacco products are sold or distributed. A tobacco products distributor is required to calculate the tobacco products tax due based on the **wholesale cost** of the tobacco products distributed and remit the amounts owed each month on tax return forms provided by the CDTFA. Anyone who distributes tobacco products in California must register with the CDTFA as a tobacco products distributor and sell only to distributors, wholesalers or retailers with a valid CDTFA cigarette and tobacco products license.

**Cigarette Manufacturer/Importer License**

[http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#manufacturers](http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#manufacturers)

In order to be eligible for a license under this Act, every manufacturer or importer shall do all of the following:

1. Register for a license using **online registration**.
2. Submit to the Board of Equalization a completed Application and Certification for Manufacturer/Importer License (**form BOE-400-LMI**), and a list of all brand families that it manufacturers or imports.
3. Update the list of brand families that it manufactures or imports whenever it manufactures or imports a new brand or additional brand, or stops manufacturing or importing a listed brand.
4. Consent to the jurisdiction of the California courts for the purpose of enforcing the Act, appoint a registered agent for service of process in this state, and identify that agent to the Board of Equalization.
5. Certify when the license is granted and each year upon license renewal that all packages of cigarettes the licensee manufactures or imports and distributes in this state fully comply with subdivision (b) of Section 30163 of the Revenue and Taxation Code, and that the cigarettes contained in those packages are the subject of filed reports that fully comply with all requirements of the federal Cigarette Labeling and Advertising Act (15 U.S.C. Sec. 13355a et seq.) for the reporting of ingredients added to cigarettes.
6. A manufacturer or importer that is a "tobacco product manufacturer" as defined in Health and Safety Code section 104556, subdivision (i) must certify to the CDTFA that it is a "participating manufacturer" as defined in subsection II(jj) of the "Master Settlement Agreement" (MSA), or is in full compliance with paragraph (2) of subdivision (a) of Section 104557 of the Health and Safety Code.
Do licenses need to be renewed and if so, how frequently?

Yes, the licenses are renewed annually for Distributors, Retailers and Wholesalers. Retailer’s pay an annual renewal fee of $265, distributor’s pay $1,200, and manufacturers/importers pay $1,200. See fee structure below for all licensing fees available at:

http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm

<table>
<thead>
<tr>
<th>License Types</th>
<th>Fees Effective January 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer (Application Fee)</td>
<td>$265 per location (one-time fee)</td>
</tr>
<tr>
<td>Retailer (Renewal Fee)</td>
<td>$265 per location (annually)</td>
</tr>
<tr>
<td>Retailer License Reinstatement Fee</td>
<td>N/A</td>
</tr>
<tr>
<td>Wholesaler/Distributor</td>
<td>$1,200 per location (annually)</td>
</tr>
<tr>
<td>Manufacturer/Importer of cigarettes</td>
<td>Market share based on Business &amp; Professions Code §22979.2(c) (one-time fee)</td>
</tr>
<tr>
<td>(administration fee)</td>
<td></td>
</tr>
<tr>
<td>Manufacturer/Importer of chewing tobacco or snuff</td>
<td>$10,000 (one-time fee)</td>
</tr>
<tr>
<td>Manufacturer/Importer of all other tobacco products</td>
<td>$2,000 (one-time fee)</td>
</tr>
<tr>
<td>excluding chewing tobacco &amp; snuff</td>
<td></td>
</tr>
</tbody>
</table>

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Colored, numbered, digital, and pressure applied.

Section 2 – Acquiring Stamps


Stamps are purchased through the CDTFA stamp desk (1-916-341-6923) or online through the CDTFA website, you must have an email address, and register to receive a User ID and password prior to making purchases.
How are stamps delivered to the wholesaler/distributor?
They are sent directly from the stamp manufacturer. We have standard shipping which is included in the price of the stamps as well as expedited shipping that is available for an additional cost. The cost is dependent on the destination shipped to. (Publication 63)

Section 3 - Bond Requirements

Security may be required. Acceptable forms of security include: Cash deposits, surety bonds, letters of credit, deposit accounts in makes and state and federal credit union shares. (Publication 63)

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Assembly Bill 1901 was signed into law effective January 1, 2017; this law explicitly prohibits the sale of unaffixed cigarettes.

It is also addressed that stamps cannot be transferred in Regulation 4047: http://www.boe.ca.gov/lawguides/business/current/btlg/vol3/ctptr/ctptr-reg4047.html

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes, distributors may sell unstamped cigarettes to other distributors. Wholesalers and retailers may not sell unstamped cigarettes.

Retailer to Retailer transfers (http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html#retailers under “Product Transfers”):

Generally, the transfer of cigarettes and tobacco products is not permitted. However, if a retailer owns more than one store and the retail licenses are held by the same legal entity, those retailers may be allowed to transfer cigarettes and tobacco products between stores belonging to the same legal entity. Sales transactions between retailers are prohibited.

Prepare transfer logs at the time of transfer. Transfer logs created or provided after an inspection are not acceptable. Legible transfer logs and copies of purchase invoices must be kept at each location involved in the transfer. The logs must include:

- The transferring retail address and license number where the original purchase was made.
- The receiving retail address and license number where the product was transferred.
- The supplier's name, license number, purchase invoice number, and date of original purchase.
- A detailed description and quantity of product transferred (for example, quantity, brand, type of package, flavor, style, etc.).
These requirements do not apply to tobacco products that are not subject to the tobacco products tax. For example, vape liquids that do not contain any nicotine are not subject to these requirements; however, they are subject to retail licensing.

**Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps**

**Does the state allow a tax credit?**
Yes, California does allow a credit for misapplied stamps. (Publication 63)

In the event that you have defective or noncompliant stamps, you should promptly notify the stamp manufacturer at 1-630-682-6271 and make arrangements to have a technician from the manufacturer validate the problem with the defective stamps. You should also notify the Stamp Desk at 1-916-341-6923.

If the manufacturer’s technician determines that the stamps cannot be used, you should complete a BOE-413-ACTS, Cigarette Distributor’s Report of Returned Stamps, for each roll. Fax the completed BOE-413-ACTS, Cigarette Distributor’s Report of Returned Stamps, to the Stamp Desk at 1-916-327-6235.

Retain a copy for your records. Enclose the original with the defective stamps that are being returned to the stamp manufacturer. The stamp manufacturer will coordinate with you on how the defective stamps will be replaced.

**Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?**
We currently do not have any laws or regulations regarding what percentage of the stamp must be present.

**Section 6 – Refund Limitations**

Our statute of limitations for returning unaffixed stamps is 3 years from the purchase date. Distributors that wish to return unaffixed tax stamps for a refund are advised to file a claim for refund and make arrangements to return the stamps to the CDTFA. Distributors must request a refund of the tax stamps in writing to: Appeals and Data Analysis Branch, P.O. Box 942879, Sacramento, CA 94279-0033, fax your request to: 1-916-323-9497, or email their claim for refund to adab@cdtfa.ca.gov.

**Section 7 – Credit Process for Manufacturer Returns**

http://www.boe.ca.gov/pdf/pub63.pdf

You must file a claim for refund for the California tax stamps affixed to cigarette packs which have become unfit for use or unsalable and need to be returned to the manufacturer. You must
submit your claim in writing to the Appeals and Data Analysis Branch (ADAB), State Board of Equalization, P.O. Box 942879, Sacramento, CA, 94279-0033. You may also submit your claim for refund by fax to 1-916-323-9497, or by email to adab@boe.ca.gov.

The claim for refund request must state the number and denomination of California tax stamps affixed to the packages of cigarettes, and the reason for refund. The claim for refund must list the number of packs by brand family in the request.

Upon receiving your claim for refund request, you will be contacted by CDTFA staff to arrange for an onsite verification of the cigarette tax stamps affixed to unfit or unsalable packages of cigarettes. Prior to the onsite verification, you must physically sort the pack-ages of cigarettes in open cartons by brand family. In addition, you must also have staff available during the onsite verification to void the tax stamps using an indelible marker. After CDTFA staff performs the verification, you will return the verified stamped packages of cigarettes to the manufacturer. You must then provide a copy of the manufacturer’s credit memorandum or affidavit to the CDTFA before your claim for refund can be processed.

If the stamped packages of cigarettes are not returned to the manufacturer for destruction, the product must be destroyed in the presence of a BOE employee or your claim for refund will be denied. Destruction of product may include, but is not limited to, shredding, cutting, burning, or depositing directly into a landfill.

Section 8 – Other Allowed Credits

We do not allow credits for returned goods beyond what is mentioned above.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

We currently do not have a particular process for reporting discrepancies between cigarette inventory and tax stamp inventory.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Regulations 4021, 4022 and 4023 address opening inventory, maintaining inventory records and inventory reporting requirements.
Pact Act Reporting

California’s PACT Act requirements (http://www.boe.ca.gov/sptaxprog/pact.htm):

- If you operate a business for profit that sells, transfers, ships, advertises, or offers for sale cigarettes or smokeless tobacco through interstate commerce into California or commerce transferred into or through Indian country of an Indian tribe, located within the external borders of California, you must register with the CDTFA.

- To register, download the Federal PACT Act form, ATF Form 5070.1, Prevent All Cigarettes Trafficking (PACT) Act Registration Form at: www.atf.gov/content/alcohol-and-tobacco. Mail the completed forms to the California Department of Tax and Fee Administration, Special Taxes and Fees, MIC: 88, P.O. Box 942879, Sacramento, CA 94279-0088.

Monthly Report Filings Requirements:

- You must also file monthly reports, using the newly developed PACT Act forms with the CDTFA and the California Attorney General. The monthly PACT Act form should contain detailed information on each shipment of cigarettes or smokeless tobacco products made during the previous calendar month, into California or Indian country, and are due before the 10th day of each calendar month. To download a copy of the required report forms, please visit the Federation of Tax Administrators website: http://www.taxadmin.org/tobacco-tax-uniformity-project. It is recommended that you submit the required reports electronically to PACT.Act@boe.ca.gov. If you are unable to submit the reports electronically, please mail to Special Taxes and Fees, MIC: 88, P.O. Box 942879, Sacramento, California 94279-0088.


Other Requirements for Delivery Sellers (direct sales to consumers):

- A "delivery sale" is defined, in part, as any sale of cigarettes or smokeless tobacco to a consumer. If you are a delivery seller, and plan to make delivery sales of cigarettes or smokeless tobacco products in California, you must apply for a California Cigarette and Tobacco Products Retailer and Distributor license. Essentially, a delivery seller must comply with all California laws regarding the sale of cigarettes and smokeless tobacco products into the State as if you were located in the state.

- Failure to comply with these requirements may result in the assessment of penalties or civil action brought by the Office of the California Attorney General.
STATE OF COLORADO

General Information

Section 1 - Contact Information

Contact Name: Anthony Muller Fuel, Excise Tax Manager
Agency: Colorado Department of Revenue
Mailing Address: P.O. Box 17087
City, State, Zip Code: Denver, CO 80218-0087
Phone Number: (303) 205-8216
E-mail Address: anthony.muller@state.co.us
Website: colorado.gov/tax

Contact Name: Brian Laughlin
Agency: Colorado Department of Law, Tobacco Settlement Enforcement
Mailing Address: 1300 Broadway, 7th Floor
City, State, Zip Code: Denver, Colorado 80203 (720)
Phone Number: (303) 508-6228
Fax Number: (720) 508-6040
E-mail Address: Brian.Laughlin@coag.gov

Section 2 - Statutes, Regulations and Rules
Statutes: colorado.gov/tax/colorado-revised-statutes
Regulations: colorado.gov/tax/tax-regulations
Cigarette Publications (FYIs): colorado.gov/tax/cigarette-tax-legal-research
Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

39-28-202 (4) (a) defines "Cigarette" as any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(I) Any roll of tobacco wrapped in paper or in any substance not containing tobacco; or
(II) Tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or
(III) Any roll of tobacco wrapped in any substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (I) of this paragraph (a).

(b) The term "cigarette" includes roll-your-own, i.e., any tobacco that, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.

(c) For purposes of this definition of "cigarettes", 0.09 ounces of roll-your-own tobacco shall constitute one individual "cigarette".

39-28.5-101 (5) defines "Tobacco products" as cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or for smoking in a pipe or otherwise, or both for chewing and smoking, but does not include cigarettes which are taxed separately pursuant to article 28 of this title.

Section 4 - The Basis for the Tax

The cigarette tax in Colorado is 4.2 cent per cigarette below are the statute references for the tax.

39-28-103. Tax levied
There is levied and shall be collected and paid to the department a tax upon the sale of cigarettes by wholesalers of ten mills on each cigarette.

39-28-103.5. Tax levied - state constitution
Pursuant to section 21 of article X of the state constitution, there is levied, in addition to the tax levied pursuant to section 39-28-103, a tax on the sale of cigarettes by wholesalers, at a rate of three and two-tenths cents per cigarette. The tax shall be paid to and collected by the department.

The tobacco products tax in Colorado is 40% of the manufacturer list price below are the statute references for the tax.

39-28.5-102. Tax levied
(1) There is levied and shall be collected a tax upon the sale, use, consumption, handling,
or distribution of all tobacco products in this state at the rate of twenty percent of the manufacturer's list price of such tobacco products. Such tax shall be imposed at the time the distributor:
(a) Brings, or causes to be brought, into this state from without the state tobacco products for sale;
(b) Makes, manufactures, or fabricates tobacco products in this state for sale in this state; or
(c) Ships or transports tobacco products to retailers in this state to be sold by those retailers.

39-28.5-102.5. Tax levied - state constitution
Pursuant to section 21 of article X of the state constitution, there is levied, in addition to the tax levied pursuant to section 39-28.5-102, a tax on the sale, use, consumption, handling, or distribution of tobacco products by distributors, at a rate of twenty percent of the manufacturer's list price. The tax shall be paid to and collected by the department. The tax shall be imposed in the same manner as the tax described in section 39-28.5-102.

Section 5 - Tax Rates and Miscellaneous Fees

The cigarette tax rate is 4.2 cent per cigarette.

The tobacco products tax rate is 40%.

There are currently no surcharges or additional fees due with the cigarette or tobacco products tax returns.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

The discount for timely cigarette tax returns/payments is 0.9524%.

The discount for timely tobacco products tax returns/payments is 1.665%.

Section 8 - Any Other Permissible Allowances

Cigarette distributors are allowed to claim a refund for bad debt.

There is no allowance for theft.
Section 9 – The Point at Which Tax is imposed

Cigarette tax is a tax upon the sale of cigarettes by wholesalers.

Tobacco products tax is imposed at the time the distributor:

(a) Brings, or causes to be brought, into this state from without the state tobacco products for sale;
(b) Makes, manufactures, or fabricates tobacco products in this state for sale in this state; or
(c) Ships or transports tobacco products to retailers in this state to be sold by those retailers.

Section 10 - Tax Return Due Dates

Cigarette tax returns are due monthly on the 10th of the month follow reporting month. If the 10th falls on a weekend or holiday the due date is the following business day. The postmark date is used in determining timely filing for paper return. The submitted (received) date is used for electronically filed return.

Tobacco products tax returns are due quarterly on the 20th of the month follow reporting period. If the 20th falls on a weekend or holiday the due date is the following business day. The postmark date is used in determining timely filing for paper return. The submitted (received) date is used for electronically filed return.

Section 11 – Tax Return Filings

Returns can be filed with the paper return or electronically through the Department’s online filing system, Revenue Online.

Section 12 – Tax Collection

By statute 39-28-104 (c) (for cigarette tax) and 39-28.5-106 (3) (for tobacco products tax) taxpayers are required to pay cigarette and tobacco products tax electronically.

The primary way to remit cigarette and tobacco products tax is by making EFT payments, which is due by 4:00pm on the due date.

Taxpayers also have the option of making credit card or e-check payments.

If cigarette or tobacco products tax is not paid electronically (paper check or cash) a 10% penalty of the balance applies.
Section 13 - Penalties for Late Filing

Cigarette tax: Penalty for late returns $100.

Tobacco products tax: Penalty for late returns is the greater of $25 or 10% of the tax balance, if the return is more than one month late 0.5% penalty is added up to a maximum of 18%.

Section 14 – Local Jurisdictional Tax

Not on cigarettes or tobacco products.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

Cigarette Tax:

39-28-111. Exempt sales
   The sales of cigarettes to the United States government or any of its agencies, sales in interstate commerce, or transactions the taxation of which is prohibited by the constitution of the United States are exempted from the provisions of this article. Such exempt sales shall be reported to the department with such information as the department shall require.

Tobacco products tax:

39-28.5-103. Exempt sales
   The tax imposed by section 39-28.5-102 shall not apply with respect to any tobacco products which, under the constitution and laws of the United States, may not be made the subject of taxation by this state. Such exempt sales shall be reported to the department with such information as the department shall require.

Section 17 - Laws or Rules for Tribal Sales

None noted.
Section 18 - Information Required on a Customer Invoice

No response received from state.

Section 19 – Responsibility by Agency

MSA Reporting: The Colorado Department of Revenue receives MSA reporting from cigarette wholesales and tobacco product distributors and reports information to the Colorado Department of Law.

Enforcement/Collection: The Colorado Department of Revenue and the Colorado Department of Law

Product Seizure Authority: The Colorado Department of Revenue

Section 20 – New or Pending Legislation

SB17-273, Manufacturer’s List Price for Tobacco Products Tax

http://leg.colorado.gov/bills/sb17-273

License Information

Do licenses need to be renewed and if so, how frequently?
Cigarette and tobacco products licenses are annual licenses which expire June 30th of each year.

Types of licenses:
- Cigarette Distributor
- Cigarette Wholesale Subcontractor
- Tobacco products distributor
- Tobacco products distributing subcontractor

The license fee is $10 per license per year.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Tan color with black numbers and is heat applied.
Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
Orders are called in by distributors and are either picked up, or sent FedEx or UPS to the taxpayer at the taxpayer’s expense.

Section 3 - Bond Requirements

Cigarette distributors are required to obtain a bond for their anticipated monthly order purchase amount. For each year the distributor goes without a cigarette tax delinquency, they are allowed to reduce their bond amount by 20% and a distributor who hasn’t had a cigarette tax delinquency in five years is exempt from the bond requirement.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
None noted.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes, if the distributor submits an original manufacturer’s statement or affidavit of returned merchandise, they are allowed a credit for returned stamps.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations

Claim must be submitted within 1 year of issue of the stamp.
Section 7 – Credit Process for Manufacturer Returns

Credit for stamped product returned to the manufacturer may be claimed on line 11 of the cigarette tax return (form DR 0221) or may be claimed as a refund on form DR 0137 if not claimed with a return.

Section 8 – Other Allowed Credits

There is a credit on the tobacco products return for product returned to the manufacturer.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

N/A, cigarette distributors are not required to report their inventory on the cigarette tax return.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

When distributors order stamps which exceed their bond amount, they are required to remit payment for the additional tax (difference between the order amount and the bond amount) prior to the order being fulfilled.

Pact Act Reporting

PACT reporting can be filed with the tax returns, electronically, via e-mail, or through paper documents.
By the 10th day of each month a memorandum or a copy of the invoice covering every shipment of cigarettes, roll your own (RYO), or smokeless tobacco made into Colorado during the previous month.
All invoice or memorandum information relating to specific customers must be organized by city or town and by zip code.
And must include the following:
  Customer name and address
  Customer city, state and zip code
  Invoice number and date
  Brand of product
  Amount of product
  Stick number for cigarettes
  Ounces for RYO and smokeless tobacco
  Carrier information
  Name, address and phone number
  Shipper name and address
STATE OF CONNECTICUT

General Information

Section 1 - Contact Information

Contact Name: Marc Papandrea
Agency: Department of Revenue
Mailing Address: 450 Columbus Blvd. Suite 1
City, State, Zip Code: Hartford, CT 06103
Phone Number: (860) 541-3228
Fax Number: (860) 541-7698
E-mail Address: marc.papandrea@po.state.ct.us
Website: http://www.ct.gov/drs/site/default.asp

Contact Name: Heather Wilson
Agency: Assistant Attorney General
Mailing Address: 55 Elm St.
City, State, Zip Code: Hartford, CT 06106
Phone Number: (860) 808-5241
Fax Number: (860) 808-5385
E-mail Address: Heatherj.wilson@ct.gov
Website: http://www.ct.gov/ag/site/default.asp
Section 2 - Statutes, Regulations and Rules

Cigarette statutes link is https://www.cga.ct.gov/current/pub/chap_214.htm

OTP link is https://www.cga.ct.gov/current/pub/chap_214a.htm

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Definitions can be found in links above for both cigarettes and OTP while CT does not currently tax ENDS.

Section 4 - The Basis for the Tax

OTP is based on the wholesale sales price except for snuff tobacco products which are taxed by the ounce and cigars on which the tax on a cigar cannot exceed .50¢ per cigar.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes are currently taxed at $3.90 per pack while OTP is taxed at 50% of the wholesale sales price except for snuff tobacco products which are taxed at $1.00 per ounce and cigars which is 50% of the wholesale sales price however the tax on a cigar cannot exceed .50¢ per cigar.

Section 6 - Rate Updates

Unknown at this time.

Section 7 - State Collection Allowance or Discount

CT stamping distributors are allowed a 1% discount on their purchase of stamps; no discount for OTP distributors.

Section 8 - Any Other Permissible Allowances

None noted.
Section 9 – The Point at Which Tax is imposed

For cigarettes it is at the time the stamp is purchased and for OTP at the distributor level however if a retailer purchases untaxed OTP they may be found liable for the OTP tax on such purchases.

Section 10 - Tax Return Due Dates

For both cigarettes and OTP it is the 25th day of the following month. If it falls on a holiday it is due on the next business day. It is considered a timely return by the postmark date.

Section 11 – Tax Return Filings

Paper returns are required for both cigarette and OTP taxes.

Section 12 – Tax Collection

Cigarette stamp purchases must be made within 30 days of purchase while OTP distributors must pay via EFT if they remit in excess of $3,000/yearly.

Time by which the electronic payment must be transmitted to be considered timely is no later than midnight of the due date.

Section 13 - Penalties for Late Filing

EFT Penalties: 1 – 5 days late is 2%; 6 – 15 days late is 5%; 16 days and more is 10%; Late payment via check is a flat 10%.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes for cigarettes and historically no for OTP.
Section 16 – Qualifying Exemptions

Qualifying exemptions exist for cigarette sales to the federal government and state institutions other than correctional institutions and for OTP sales to the federal government.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

No response received from state.

Section 19 – Responsibility by Agency

MSA Reporting: DRS is responsible for compiling the data and maintaining the CT Tobacco Directory while the Office of Attorney General is responsible for the collection of NPMs quarterly escrows

Enforcement/Collection: DRS
Product Seizure Authority: DRS

Section 20 – New or Pending Legislation

No response received from state.

License Information

Cigarette manufacturers license with a $5,250 fee; Cigarette stamping distributor license with a $1,250 fee; Cigarette distributor (sub jobber) license with a $1,250 fee; Chain store distributor license with 25 or more locations with a $1,250 fee, with 15 to 24 locations with a $625 fee and 15 or fewer locations with a $315 fee; Cigarette dealers license with a $50 fee and an OTP distributor with a $200 fee

Do licenses need to be renewed and if so, how frequently?
All are annual.
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes
Currently orange, numbered and heat applied.

Section 2 – Acquiring Stamps
How are stamps delivered to the wholesaler/distributor?
Stamps are delivered through the contracted stamp supplier, currently SICPA, upon approval by DRS.

Section 3 - Bond Requirements
A stamping distributor wishing to purchase his stamps on credit must have a bond in place with DRS and the amount of stamps charged cannot exceed the amount of the bond on file.

Section 4 – Allowable Transfers
Does the state allow the transfer of unaffixed cigarette tax stamps?
None noted.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes, as long as it is between licensed stamping distributors.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps
Does the state allow a tax credit?
Yes, upon proof of such mis-application, i.e. carton flaps, etc.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
We use at least 50% as our requirement in order to receive a refund/credit.

Section 6 – Refund Limitations
None noted.
Section 7 – Credit Process for Manufacturer Returns

The stamping distributor must complete Form CT-30 which attests to the quantity of cigarettes being returned and includes attestation by the cigarette manufacturer of receipt of such returned cigarettes along with the additional paperwork reflecting the quantity of returned product (See Conn. Gen. Regs. § 12-300-1).

Section 8 – Other Allowed Credits

Credits received by distributors of OTP must be supported by a credit memo/invoice from the OTP manufacturer or supplier in order to be claimed on their tax return.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Proper accounting of both stamp purchases and cigarette purchases, including opening and closing inventories of both is required and a shortfall between stamp purchases against cigarette purchases will be assessed.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

A licensed cigarette stamping distributor must maintain their stamp inventory in a secure location at their place of business.

Pact Act Reporting

We request e-mail submittals, however, we do accept paper reports.
STATE OF DELAWARE

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
DISTRICT OF COLUMBIA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF FLORIDA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirement

Pact Act Reporting
STATE OF GEORGIA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

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Section 8 – Other Allowed Credits

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Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF HAWAII

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

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Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF IDAHO

General Information

Section 1 - Contact Information

Contact Person: Don Anderson, Excise Tax Specialist
Agency: Idaho State Tax Commission
Mailing Address: PO Box 36
City, State, Zip Code: Boise, ID 83722-0410
Phone Number: (208) 334-7614
Fax Number: (208) 334-7655
E-mail Address: don.anderson@tax.idaho.gov
Website: tax.idaho.gov

Contact Person: Beth Kittelmann – Paralegal, Consumer Protection Division
Agency: Office of the Attorney General, State of Idaho
Mailing Address: P.O. Box 83720
City, State, Zip Code: Boise, Idaho 83720-0010
Phone Number: (208) 334-3097
Fax Number: (208) 334-4151
E-mail Address: beth.kittelmann@ag.idaho.gov
Website: http://www.ag.idaho.gov/index.html
Section 2 - Statutes, Regulations and Rules

Idaho Statutes
TITLE 63 REVENUE AND TAXATION
CHAPTER 25 CIGARETTE AND TOBACCO PRODUCTS TAXES
https://legislature.idaho.gov/statutesrules/idstat/Title63/T63CH25/

Idaho Administrative Code (IDAPA) 35 Administrative Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes, since 1945.
Cigars, smoking and chewing tobacco and snuff since 1972.

The intent of the law is to levy a tax on all cigarettes and other tobacco products sold, used, consumed, handled or distributed in the state and to collect the tax from the first person who first sells, uses, consumes, handles or distributes them (ID Code 63-2501).

“Cigarettes” means “any roll for smoking, made wholly or in part of tobacco, where such roll has a wrapper or cover made of paper or any other material, except where such wrapper is wholly or in the greater part made of tobacco (ID Code 63-2502(d)).

“Tobacco products” means “any cigars, cheroots, stogies, smoking tobacco (including granulated, plug, cut, crimp cut, ready rubbed and any other kinds and forms of tobacco suitable for smoking in a pipe or cigarette), chewing tobacco (including Cavendish, twist plug, scrap and any other kinds and forms of tobacco suitable for chewing) and snuff, however prepared; and shall include any other articles or products made of tobacco except cigarettes” (ID Code 63-2551(1)).

“Package of cigarettes” means “the individual package, box or other container in or from which retail sales of cigarettes are normally made or intended to be made” (ID Code 63-2502(e)).

“Wholesale sale” means “a sale of cigarettes by a wholesaler to a retailer” (ID Code 63-2502(c)).

Section 4 - The Basis for the Tax

Cigarettes
Equivalent tax per standard pack of 20: 57¢ (ID Code 63-2506(1)).
Statutory Rate:
57 cents for each pack (ID Code 63-2506(1)).
Cigarette Wholesalers are allowed a discount of 3.3% of the face value of stamps affixed (ID Code 63-2509).
Other tobacco products
Forty percent (40%) of the wholesale sales price (ID Code 63-2552(1), ID Code 63-2552A (1)).
Statutory Rates:
Thirty-five percent (35%) of the wholesale sales price (ID Code 63-2552(1)); plus
Five percent (5%) of the wholesale sales price (ID Code 63-2552A (1)).

Wholesale sales price” means “the established price for which a manufacturer or any person sells a tobacco product to a distributor that is not a related person as defined in section 267 of the Internal Revenue Code, exclusive of any discount or other reduction” (ID Code 63-2551(7)).

Separately stated nontaxable charges for shipping, handling, transportation, delivery, and packaging, may not be used to avoid tax on the wholesale sales price of tobacco products. If the allocation of the wholesale sales price is unreasonable, the Idaho State Tax Commission may adjust it (Idaho Administrative Rules 35.01.10.019.03.a)

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes
Equivalent tax per standard pack of 20: 57¢ (ID Code 63-2506(1)).
Statutory Rate:
57 cents for each pack (ID Code 63-2506(1)).

Other tobacco products
Forty percent (40%) of the wholesale sales price (ID Code 63-2552(1), ID Code 63-2552A (1)).
Statutory Rates:
Thirty-five percent (35%) of the wholesale sales price (ID Code 63-2552(1)); plus
Five percent (5%) of the wholesale sales price (ID Code 63-2552A (1)).

Section 6 - Rate Updates

No anticipated changes.

Section 7 - State Collection Allowance or Discount

Yes, there is a discount given to wholesalers/distributors for collecting and remitting taxes for cigarette tax only.

Cigarettes
Wholesalers are allowed a discount of 3.3% of the face value of stamps affixed (ID Code 63-2509).

Other tobacco products
No discount provided for OTP.
Section 8 - Any Other Permissible Allowances

Cigarettes
A wholesaler may claim a credit against taxes due on the tax return for taxes previously paid on cigarettes, which after stamps are affixed, become unmarketable and are returned to the manufacturer. When such return is verified in such manner as the State Tax Commission may, by rule provide, the credit applies to the tax return for the month in which the verification occurs; except that, any amount of credit exceeding the tax due on the tax return may be carried forward to the succeeding tax return, in chronological order until exhausted (ID Code 63-2510(7)).

Where there has been an overpayment of any cigarette tax, the amount of the overpayment will be credited against any taxes due to the State Tax Commission and any excess balance will be refunded to the taxpayer (ID Code 63-2521(1)).

No credit or refund of taxes, penalties or interest paid will be allowed or made after three (3) years from the time the return was filed (ID Code 63-2521(2)).

Other tobacco products
Where tobacco products upon which the tax imposed by this chapter has been reported and paid, are shipped or transported by the distributor to distributors or retailers outside the state, to be sold by those distributors or retailers, or are returned to the manufacturer by the distributor or destroyed by the distributor, credit of such tax may be made to the distributor in accordance with rules prescribed by the commission (ID Code 63-2559(1)).

Taxes paid on tobacco products sold on or after January 1, 2000, on accounts later found to be worthless and actually charged-off may be credited upon a subsequent payment of the tax on tobacco products or, if no such tax is due, refunded. If all or part of such an account is thereafter collected, the tax shall be paid based upon the proportion of the amount collected (ID Code 63-2559(2)).

A combined refund fund with a reimbursement by tax type is maintained sufficient to pay current refund claims (ID Code 63-2564).

Section 9 – The Point at Which Tax is imposed

Cigarettes
The tax is collected from the wholesaler and/or delivery seller (ID Code 63-2506(1)). The tax is collected by return. Stamps are no longer pre-purchased however, tax stamps must be affixed by the person first receiving the cigarettes in the State (ID Code 63-2510(1)). The return shall be filed on or before the twentieth day of the month following the end of the taxable period to which the return relates (ID Code 63-2510(2)). Each wholesaler of cigarettes shall keep and preserve for a period of four years, records showing the purchase and sale of cigarettes, as well as separate invoices and records of stamps purchased. All records and stocks of cigarettes on hand shall be open to inspection by the state tax commission or authorized employees at all reasonable times. Additionally, the state tax commission may require reports to
be submitted to it from time to time concerning the purchase and sale of cigarettes and stamps. All retailers shall permit the state tax commission or authorized employees to inspect all cigarettes on hand (ID Code 63-2511)

**Other Tobacco Products**

The tax is collected by return. The taxes imposed are due and payable monthly and remittance is to be made on or before the 20th day of the month next succeeding the end of the monthly period in which tax accrued. The taxpayer, on or before the 20th day of the month, will make out a return, upon such forms and setting forth such information as the State Tax Commission may require, showing the amount of the tax for which he is liable for the preceding monthly period, and shall sign and transmit the same to the commission, together with a remittance for such amount in the form required (ID Code 63-2560(1)).

The tax is imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufacturers, or fabricates tobacco products in this state for sale in this state, or (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers (ID Code 63-2552(1)).

“Distributor” means

(a) “any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale,”

(b) “Any person who makes, manufacturers, or fabricates tobacco products in this state for sale in this state,” and,

(c) “any person engaged in the business of selling tobacco products without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers” (ID Code 63-2551(3)).

In addition, any person who does not hold a tobacco products tax permit who possesses, purchases or consumes tobacco products upon which tax imposed has not been paid, including tobacco products sold by internet, catalog, telephone and facsimile sellers, is liable for the taxes imposed (ID Code 63-2552B).

**Section 10 - Tax Return Due Dates**

The Idaho Cigarette and Tobacco Tax Returns are due on the 20th of the month following the tax period (eg. October's return is due November 20). Personalized copies of Forms 1550 and 1350 are mailed to account owners and aren't available on the commission’s website. If a taxpayer has misplaced their paper returns, they can request reprints by contacting Taxpayer Services at (208) 334-7660 in the Boise area or toll free at (800) 972-7660. Instructions for the return(s) and all required schedules are available on the commission’s website.

The PACT Act requires monthly reports to Idaho due by the 10th day of each month, while Idaho cigarette and tobacco tax returns are due by the 20th of each month. The Tax Commission encourages you to combine reports and file only once. You can file your Idaho cigarette tax return and Idaho tobacco tax return by the 10th day of each month to comply with the PACT Act. However, you must also include an addendum or internal
report that lists the brand of cigarettes or smokeless tobacco you're selling. If you're a delivery seller, please include the name, address, and phone number of your delivery service.

You still have the option of paying any tax you owe on or before the 20th. If you need a payment voucher, call Taxpayer Services at (208) 334-7660 in the Boise area or toll free at (800) 972-7660.

If the twentieth day falls on a Saturday, Sunday, or legal holiday, the return shall be due on the next following day which is not a Saturday, Sunday, or legal holiday.

The tax commission may by rule provide returns for periods of time other than monthly periods. Returns for such reporting periods, together with payment of the required taxes, shall be due on or before the twentieth day of the month following the end of the period to which the return relates (ID Code 63-2560(2)).

Section 11 – Tax Return Filings

Taxpayers can submit electronic files of PACT Act reports via email to substituteforms@tax.idaho.gov. The commission will also accept PACT Act reports on disk.

Section 12 – Tax Collection

If you're making a payment of $100,000 or more, Idaho law requires you to use ACH Debit or ACH Credit for all taxes except individual income taxes. If you don't pay by ACH Debit or ACH Credit when it's required, we may charge you interest and a $500 penalty.)

Section 13 - Penalties for Late Filing

Penalties and additions to the tax in case of deficiency.
(a) If any part of any deficiency is due to negligence or disregard of rules but without intent to defraud, five percent (5%) of the total amount of the deficiency (in addition to such deficiency) shall be assessed, collected and paid in the same manner as if it were a deficiency.

(b) If any part of any deficiency is due to fraud with intent to evade tax, then fifty percent (50%) of the total amount of the deficiency (in addition to such deficiency) shall be so assessed, collected and paid.

(c) (1) In the event the return required by this chapter is not filed on or before the due date (including extensions) of the return, there may be collected a penalty of five percent (5%) of the tax due on such returns for each month elapsing after the due date (including extensions) of such returns until the return is filed.
(2) In the event the return required by this chapter is filed but the tax shown thereon to
be due is not paid, there may be collected a penalty of one-half percent (0.5%) of the tax
due on such return for each month elapsing after the later of the due date of such return or
the date the return was filed until the tax is paid.

(d)

(1) If there is a substantial understatement of tax for any taxable year, there shall be
added to the tax an amount equal to ten percent (10%) of the amount of any
underpayment attributable to such understatement.

(2) For purposes of this subsection, there is a substantial understatement of tax for any
taxable year if the amount of the understatement for the taxable year exceeds the greater
of:

(I) Ten percent (10%) of the tax required to be shown on the return for the
taxable year, or

(ii) Five thousand dollars ($5,000).

(3) In the case of a corporation, paragraph (d) (2) (ii) of this section shall be applied by
substituting ten thousand dollars ($10,000) for five thousand dollars ($5,000).

(4) For purposes of paragraph (d) (2) of this section, the term "understatement" means
the excess of:

(I) the amount of tax required to be shown on the return for the taxable year, over

(ii) The amount of the tax imposed which is shown on the return.

(5) The amount of the understatement under paragraph (4) shall be reduced by that
portion of the understatement which is attributable to:

(I) the tax treatment of any item by the taxpayer if there is or was substantial
authority for such treatment, or

(ii) Any item with respect to which the relevant facts affecting the item’s tax
treatment are adequately disclosed in the return or in a statement attached to the
return.

(6) In the case of any item attributable to a tax shelter as defined in section 6661 of the
Internal Revenue Code:

(I) Paragraph (5) (ii) shall not apply, and

(ii) Paragraph (5) (I) shall not apply unless (in addition to meeting the
requirements of such paragraph) the taxpayer reasonably believed that the tax
treatment of such item by the taxpayer was more likely than not the proper
treatment.
(7) The state tax commission may waive all or any part of the addition to tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement (or part thereof) and that the taxpayer acted in good faith.

(e) Any person who fails to file a statement of payment to another person required by this chapter, including the duplicate statement of tax withheld on wages, on the date prescribed therefor (including any extension of time for filing) shall, be subject to a penalty of two dollars ($2.00) for each month or part of a month each statement is not so filed, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed two thousand dollars ($2,000).

(2) Any employer required to register under the provisions of section 63-3035, Idaho Code, who fails to register after receiving written notice from the state tax commission of the requirement to register shall be subject to a penalty of one hundred dollars ($100) for each month or part of a month after the date of the notice during which the failure occurs.

(3) The penalties provided in this subsection shall not apply if the person shows that the failure to register is due to reasonable cause and not to willful neglect.

(f) If the penalty to be added to the tax by subsection (a), (b), (c)(1), (d) or (e) of this section or by section 63-3033, Idaho Code, is less than ten dollars ($10.00), the penalty to be added to the tax shall be a minimum of ten dollars ($10.00).

(g) Total penalties imposed under subsections (a), (c) and (d) of this section and under section 63-3033, Idaho Code, shall not exceed twenty-five percent (25%) of the tax due on the return.

(h) A processing charge to be determined and established annually by the state tax commission shall be collected from any person who draws or delivers a check, draft or order for the payment of money in complete or partial satisfaction of the tax imposed by this chapter if that person does not have sufficient funds in or credit with the bank or depository upon which the check, draft or order is drawn. Money collected under this subsection shall be paid to the state tax commission to defer costs of handling such checks, drafts or orders.

Cigarette specific –
Filing and Paying Timely. Failure to file a cigarette tax return or pay the tax on a timely basis will result in no additional stamps being issued by the Commission to a wholesaler until clear and convincing evidence is received by the Commission that the return has been filed or that the tax has been paid.

Section 14 – Local Jurisdictional Tax

None noted.
Section 15 - Floor Stock Tax

Yes. The last rate increase for cigarettes was established effective July 1, 2003 and a floor stock tax was imposed on cigarettes held in inventory.

Section 16 – Qualifying Exemptions

Shipments in Interstate Commerce (Rule 013).
Sales of cigarettes in the course of interstate commerce for purposes of Section 63-2505, Idaho Code, include only those sales where title is transferred outside the state of Idaho, or on U.S. military reservations, or on Indian reservations. (5-3-03)

01. Types of Conveyances. Shipments of cigarettes to U.S. military reservations or Indian reservations must be made by conveyance used in the normal operation of the wholesaler’s business, or by common carrier hired by the wholesaler. (7-1-93)

   a. In the case of shipment by common carrier, a copy of the bill of lading must be kept on file at the wholesaler’s place of business for three (3) years. (7-1-93)
   b. In the case of shipments by the wholesaler’s conveyance, an itemized receipt must be obtained by the wholesaler bearing the signature of the receiver’s representative and the wholesaler’s employee making such delivery. Receipts must be serially numbered. (7-1-93)

Records of Unstamped Deliveries. In addition, all deliveries made outside the state and all deliveries made to U.S. military reservations or Indian reservations, and which are delivered without state tax stamps of another state must be listed in a chronological log by delivery date and customer. The log must contain the following information: delivery date, number of cigarettes delivered, and an itemized receipt number, as described in Subsection 013.01.b. of this rule.

Shipments without Idaho Stamps. Cigarette wholesalers may deliver cigarettes which do not have Idaho stamps affixed to Idaho Indian reservations when: (4-2-08)

   a. The purchaser is an enrolled member of an Idaho Indian tribe. (7-1-93)
   b. The purchaser is a business enterprise wholly owned and operated by an enrolled member or members of an Idaho Indian tribe. (7-1-93)
   c. The purchaser is a business enterprise wholly owned and operated by an Idaho Indian tribe. (7-1-93)

02. Reservation Means Lands Which Are: (7-1-93)

   a. Indian lands federally declared to be reservations because they are reserved for Indian tribes by treaty between Indian tribes and any territorial governments, state government, or the United States Government; established by acts of the United States Congress; or established by formal decision of the Executive Branch of the United States. (7-1-93)
b. Held by an Idaho Indian tribe not holding lands which meet the definition of Subsection 014.02.a. above, and are tribal lands held in trust by the United States for the use and benefit of such tribe. (7-1-93)

03. Sales of Cigarettes to Non-Indians within Reservation Boundaries. Sales of cigarettes by wholesalers to non-Indian enterprises or persons located within the boundaries of an Idaho Indian reservation must have Idaho cigarette stamps affixed. (4-2-08)

04. Non-Indian Retailers. Non-Indian retailers located within the boundaries of an Idaho Indian reservation may not sell cigarettes upon which Idaho cigarette stamps has not been affixed.

Tobacco distributors may claim a credit for taxes paid on tobacco products other than cigarettes that are:
  (a) Sold and delivered to retailers at locations outside the state of Idaho;
  (b) Sold and delivered to the United States Government on U.S. Military reservations located within Idaho;
  (c) Sold and delivered to a purchaser within the boundaries of an Idaho Indian reservation when the purchaser is an enrolled member of an Idaho Indian tribe; a business enterprise wholly owned and operated by an enrolled member or members of an Idaho Indian tribe; or a business enterprise wholly owned and operated by an Idaho Indian tribe; and
  (d) Distributors must maintain adequate records to show the validity of credits claimed under this subsection, including delivery records and invoices. If the distributor is selling to an enrolled member of an Indian tribe he should keep a copy of the purchaser’s tribal identification card in his files. If he is selling to a tribally owned entity, he should keep a certificate of tribal ownership or some other form of clear and convincing evidence that the purchaser is a business wholly owned and operated by an Idaho Indian tribe. (Idaho Administrative Rules 35.01.10.022.01)

Section 17 - Laws or Rules for Tribal Sales

Please see section 16 above.

Section 18 - Information Required on a Customer Invoice

Wholesalers are required, at the time of shipping or delivering cigarettes, to make a duplicate invoice that shows complete details of the sale. The duplicate invoice must be retained subject to the inspection by the State Tax Commission or its agent (ID Code 63-2505(2)).
Every person who shall transport cigarettes not stamped upon public highways, waterways, airways, roads or streets of this State shall have in his actual possession invoices or delivery tickets for cigarettes which shall show:
  (a) The true name and the complete and exact address of the consignor or seller;
  (b) The true name and the complete and exact address of the consignee or purchaser;
  (c) The quantity and brands of the cigarettes transported; and
(d) Either:

(I) the true name and complete and exact address of the wholesaler licensed under this chapter who has or shall assume payment of taxes; or

(ii) The true name and complete and exact address of the person authorized to receive unstamped cigarettes by the law of the State or foreign country to which the cigarettes are destined.

(ID Code 63-2505(3)).

Any common or contract carrier who transports cigarettes under a proper bill of lading or freight bill which states the quantity, source and destination of such cigarettes and who is without notice to itself or to any of its agents or employees that said cigarettes are not stamped is permitted (ID Code 63-2505(4)).

Section 19 – Responsibility by Agency

MSA Reporting: Idaho’s Office of the Attorney General

Enforcement/Collection:

63-2516. Collection and enforcement — Actions against state of Idaho. In addition to the enforcement and penalty provisions in this act otherwise provided, the deficiency in tax and notice of deficiency as well as the collection and enforcement procedures provided by the Idaho income tax act, sections 63-3030A, 63-3038, 63-3039, 63-3040, 63-3042, 63-3043, 63-3044, 63-3045, 63-3045A, 63-3046, 63-3047, 63-3048 through 63-3065, 63-3068, 63-3071, 63-3073, 63-3075 and 63-3078, Idaho Code, shall apply and be available to the state tax commission for enforcement of the provisions of this act and the assessment and collection of any amounts due, and said sections shall for this purpose be considered a part of this act and wherever liens or any other proceedings are defined as income tax liens or proceedings they shall, when applied in enforcement or collection under this act, be described as cigarette tax liens and proceedings. Any reference to taxable year in the income tax act shall be, for the purposes of this act, considered a taxable period.

The state tax commission may be made a party defendant in an action at law or in equity by any person aggrieved by the unlawful seizure or sale of his property, or in any suit for refund or to recover an overpayment, but only the state of Idaho shall be responsible for any final judgment secured against the state tax commission, and said judgment shall be paid as provided for payment of cigarette tax refunds.

Product Seizure Authority:

63-2514. Search and seizure. When the state tax commission has reason to believe that any cigarettes are being kept, sold, offered for sale or given away in violation of this act, an employee, delegate or deputy of the state tax commission, or any peace officer, may make affidavit of such fact, describing the place or thing to be searched, before a magistrate, or such official shall issue a search warrant directed to the sheriff, constable, police officer, or employee[,,] delegate or deputy of the state tax commission
commanding him to search any place or vehicle that may be designated in the affidavit and search warrant, and to seize any cigarettes so possessed as well as any article, machine or vehicle wherein the same are found, kept or stored as contraband and to arrest the person in control or possession thereof for violation of the provisions of section 63-2512, Idaho Code.

39-8406. Penalties and other remedies. (1) Each stamp affixed, each sale or offer to sell, and each cigarette possessed in violation of section 39-8403(3), Idaho Code, shall constitute a separate violation. For each violation hereof, the district court may impose a civil penalty in an amount not to exceed the greater of five hundred percent (500%) of the retail value of the cigarettes or five thousand dollars ($5,000) upon a determination of violation of section 39-8403(3), Idaho Code, or any rule adopted pursuant thereto.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a stamping agent has violated section 39-8403(3), Idaho Code, or any rule adopted pursuant thereto, the commission may revoke or suspend the license of any stamping agent in the manner provided by law.

(3) Any cigarettes that have had stamps affixed, been sold, offered for sale or possessed for sale in this state in violation of section 39-8403(3) shall be deemed contraband under section 63-2513, Idaho Code, and such cigarettes shall be subject to seizure and forfeiture by the commission as provided in such section, and all such cigarettes so seized and forfeited shall be destroyed and not resold.

(4) The attorney general may seek an injunction to prevent or restrain a threatened or actual violation of section 39-8403(3), 39-8405(1) or 39-8405(4), Idaho Code, by a stamping agent and to compel the stamping agent to comply with such subsections.


Section 20 – New or Pending Legislation

None noted.

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarettes:
It is unlawful for any person to act as a wholesaler of cigarettes without a permit. The permit shall be obtained by application to the State Tax Commission accompanied by a fee of $50. The wholesaler permit shall be non-assignable and shall continue in force until surrendered or canceled (ID Code 63-2503(1)).

It shall be unlawful for any retailer to purchase, sell, offer for sale, distribute, or store, or possess any cigarettes without first applying for and receiving a seller’s permit (ID Code 63-2503(2)).
A permit shall be held only by persons actively engaged in making wholesale sales of cigarettes. Any person not so engaged shall forthwith surrender his permit to the state tax commission for cancellation (ID Code 63-2503(3)).

Retail permits shall be issued annually for no charge for each business location (ID Code 63-5704(3)).

A separate retail permit must be obtained for each place of business and is nontransferable to another person, business or location (ID Code 63-5704(4)).

Whenever any person fails to comply with any provision relating to the purchase, sale or offering for sale or distribution of cigarettes or any rules of the state tax commission relating to the cigarette tax prescribed and adopted, the State Tax Commission may revoke or suspend any permit held by the person or may deny a new permit to such person (ID Code 63-2503(4)).

The State Tax Commission may revoke the permit of a person not actively engaged in activities requiring a permit (ID Code 63-2503(5)).

A permit, held by a person who for a period of 12 consecutive months files reports showing no reportable cigarette activity, shall expire automatically upon the State Tax Commission providing notice of the expiration to the last known address of the person to whom the permit was issued (ID Code 63-2503(7)).

A person who engaged in activities requiring a permit without a permit or after a permit has been revoked or suspended, and any person who is a responsible person of such a business shall, after receiving written notice from the State Tax Commission, be subject to a civil penalty not in excess of $100, and each day shall constitute a separate offense (ID Code 63-2503(8)).

**Other Tobacco Products:**

No person shall engage in the business of a distributor or sub jobber of tobacco products at any place of business without first having received a permit from the commission (ID Code 63-2554).

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

Idaho’s heat-applied cigarette stamps were redesigned and modernized in 2013 to enhance security features. Both the 20’s and 25’s maintain two separate serialization systems and variations of colors chosen from the Idaho state flag.

A package of cigarettes shall contain no less than 20 cigarettes and be packaged in increments of 5 (ID Code 63-2502(c)).
Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

63-2507. Stamps to be printed — affixed to individual packages. The state tax commission is hereby authorized and required to design and have printed Idaho cigarette stamps which are to be affixed to each individual package of cigarettes, which stamps shall be in the amount of the tax imposed by section 63-2506, Idaho Code. Except as otherwise prescribed by the state tax commission, each stamp shall be affixed in such a manner that it cannot be removed without being mutilated or destroyed. (ID Code 63-2508). Stamps may be obtained only from the state tax commission, or its authorized agent, and only by a holder of a valid and current wholesaler permit. Stamps are shipped via UPS Ground with shipping paid for by the Idaho State Tax Commission. Stampers can request shipment via other common carriers by providing account information to bill the stamper directly.

Section 3 - Bond Requirements

Cigarettes:
At the time an application for a wholesaler's license or permit is submitted to the State Tax Commission, the applicant shall file a bond, in such form as the commission may determine, conditioned upon faithful performance of all of the requirements. The total amount of the bond shall be fixed by the commission and shall be the greater of twice the estimated average tax liability for the reporting period for which the applicant will be required to file a return or the value of stamps in the wholesaler's inventory including the value of stamps ordered but not yet received. The total amount required to be secured by the bond may be increased or reduced by the commission at any time (ID Code 63-2510A(1)).

A wholesaler may pay full value for stamps in advance in lieu of posting a bond. A wholesaler that has posted a bond may petition for release from the bond requirement after having filed timely and fully paid cigarette tax returns, for a period of not less than 12 months (ID Code 63-2510A(3)).

If at any time after release of a bond requirement the wholesaler becomes delinquent for any period in the filing of tax returns or the payment of the tax as required, the State Tax Commission may make immediate demand that the return be filed or the payment be tendered and that a bond be filed (ID Code 63-2510A(4)).

A wholesaler who acquires all cigarettes with tax stamps affixed at the time of acquisition may petition the state tax commission for waiver of the bond (ID Code 63-2510A(5)).

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No, Stamps may be obtained only from the state tax commission, or its authorized agent, and only by a holder of a valid and current wholesaler permit. (ID Code 63-2507).
Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors? Yes.

Transportation of cigarettes.

(1) It shall be unlawful for any person to transport into, export from or receive in this state or carry or move from place to place within this state, except as provided in this section, any cigarettes which do not have affixed thereto Idaho stamps.
(2) Any wholesaler engaged in interstate business, who shall furnish surety bond in a sum satisfactory to the state tax commission, shall be permitted to set aside such part of his stock as may be necessary for the conduct of such interstate business without affixing the stamps required by this chapter. Every wholesaler, at the time of shipping or delivering cigarettes, shall make a duplicate invoice, showing complete details of the sale, and shall retain the duplicate for inspection by the state tax commission or its agent.
(3) Except as provided in subsection (4) of this section, every person who shall transport cigarettes not stamped as required in this chapter upon the public highways, waterways, airways, roads or streets of this state shall have in his actual possession invoices or delivery tickets for such cigarettes which shall show:
   (a) The true name and the complete and exact address of the consignor or seller; and
   (b) The true name and complete and exact address of the consignee or purchaser; and
   (c) The quantity and brands of the cigarettes transported; and
   (d) Either:
      (I) the true name and complete and exact address of the wholesaler licensed under this chapter who has or shall assume payment of taxes under this chapter; or
      (ii) The true name and complete and exact address of the person authorized to receive unstamped cigarettes by the law of the state or foreign country to which the cigarettes are destined.
(4) Any common or contract carrier, as defined in 18 U.S.C. section 2341, who transports cigarettes under a proper bill of lading or freight bill which states the quantity, source and destination of such cigarettes and who is without notice to itself or to any of its agents or employees that said cigarettes are not stamped as required in this chapter shall be deemed to have complied with this section. (ID Code 63-2505).

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit? Yes, see below.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)? Standard policy dictates that if > 50% of a stamp is present, a taxpayer may submit a Request for Cigarette Stamp Destruction.
Section 6 – Refund Limitations

A wholesaler may claim a credit against taxes due on the tax return for taxes previously paid on cigarettes, which after stamps are affixed, become unmarketable and are returned to the manufacturer. When such return is verified in such manner as the State Tax Commission may, by rule provide, the credit applies to the tax return for the month in which the verification occurs; except that, any amount of credit exceeding the tax due on the tax return may be carried forward to the succeeding tax return, in chronological order until exhausted (ID Code 63-2510(7)).

Where there has been an overpayment of any cigarette tax, the amount of the overpayment will be credited against any taxes due to the State Tax Commission and any excess balance will be refunded to the taxpayer (ID Code 63-2521(1)).

No credit or refund of taxes, penalties or interest paid will be allowed or made after three (3) years from the time the return was filed (ID Code 63-2521(2))

Section 7 – Credit Process for Manufacturer Returns

Credit for stamped cigarettes returned to the manufacturer can be taken on Page 1, Part II, and line 16 of the Idaho Cigarette Tax Return as a credit against tax owed. Credit should be figured using the following calculation: # of cigarettes x $0.0276. This represents the value of the stamps less the discount received for affixing stamps. Documentation of the credit, (e.g., Returned Goods Memorandums, Manufacturers Affidavits), must accompany the tax return.

Section 8 – Other Allowed Credits

Credit for tax paid tobacco returned to the manufacturer can be taken on line 5 of the Idaho Tobacco Tax Return. Documentation substantiating the credit, (e.g., Returned Goods Memorandums, Manufacturer’s Affidavits), must accompany the return.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Tax is due based on cigarettes stamps applied each month. If a wholesaler distributes more cigarettes than it has stamped, without otherwise claiming a valid exemption, the taxpayer will receive an audit adjustment reflecting the variance.

Section 10 – Additional Tax Stamp Inventory Restrictions or Requirements

Cigarette tax

63-2521. Refunds — Limitations — Interest.
(1) Where there has been an overpayment of any cigarette tax imposed by this chapter, the amount of such overpayment shall be credited against any taxes then due to the state tax commission from the taxpayer and any balance of such excess shall be refunded to the taxpayer.

(2) No such credit or refund of taxes, penalties or interest paid, shall be allowed or made after three (3) years from the time the return was filed, unless before the expiration of such period a claim therefor is filed by the taxpayer with the commission.

(3) Interest shall be allowed on the amount of such credits or refunds at the rate provided in section 63-3045, Idaho Code; from the date such tax was paid.

(4) If the state tax commission denies a claim for refund in whole or in part, it shall provide notice of the denial and the claimant may petition the state tax commission for a redetermination of the denial in the manner provided in section 63-3045, Idaho Code. Appeal of a tax commission decision denying in whole or in part a claim for refund shall be made in accordance with and within the time limits prescribed in section 63-3049, Idaho Code.

Section 11 – Miscellaneous Information

IDAHO — SALES TAX RELATIONSHIP

Idaho levies a 6% sales and use tax on the sales price of tangible personal property. All tobacco products are subject to the tax with the cigarette and tobacco products taxes being included in the sales tax base (ID Code 63-3619).

IDAHO — USE TAX

Yes. The taxes are levied on all cigarettes and other tobacco products sold, used, consumed, handled or distributed within the state. There is no apparent consumer tax exemption allowance (ID Code 63-2501, 63-2552, 63-2552A, 63-2552B).

The possession, purchase or consumption by any person of more than 10 packages of cigarettes without Idaho cigarette stamps is prohibited. Any person who possesses purchases or consumes more than 10 packages of cigarettes without Idaho cigarette stamps shall be subject to a civil penalty equal to three times the amount of tax due for each full or partial package of unstamped cigarettes in excess of 10, but in no event shall the penalty be less than $50. The penalty imposed shall apply to persons acquiring cigarettes from internet, catalog, telephone and facsimile retailers (ID Code 63-2512(b)).

Any person who does not hold a tobacco products tax permit who possesses, purchases or consumes tobacco products upon which tax imposed has not been paid, including tobacco products sold by internet, catalog, telephone and facsimile sellers, is liable for the taxes imposed (ID Code 63-2552B).
IDAHO — SAMPLES

The sale or distribution of tobacco products for free or below the cost of such products to the
sellers or distributors of the products for commercial or promotional purposes, to members of the
general public in public places or at public events is prohibited (ID Code 39-5707(1)).

IDAHO — MANUFACTURER’S CLASSIFICATION

“Manufacturer” means any person who manufactures cigarettes by any method of preparing,
processing or manipulating tobacco, except for his own personal consumption or use (ID Code
63-2528(3)).

IDAHO — RETAIL MANUFACTURER

A cigarette rolling machine operator may not locate at, offer, or make a cigarette rolling machine
available for use, or offer for sale cigarettes manufactured by the operator or any other person at
the location of the operator's cigarette rolling machine, until the operator has first been certified
by the attorney general upon a form prescribed by the attorney general. The attorney general
shall annually certify a cigarette rolling machine operator, but only after he has obtained
adequate certification from the operator and has been provided by the operator sufficient
information identifying the operator, the location, the make and brand of the operator's cigarette
rolling machine, and the person(s) from whom the operator will purchase its tobacco for
purposes of the operator's cigarette rolling machine's manufacturing of cigarettes (ID Code 39-
8422).

Before a cigarette rolling machine operator may be certified by the State Attorney General, the
operator shall certify, under penalty of perjury, that:

(a) All tobacco to be used in the operator's cigarette rolling machine, regardless of the
tobacco's label or description thereof, will only be of a brand family and of a tobacco
product manufacturer listed on the directory maintained by the State Attorney General;
(b) All applicable state tobacco taxes have been paid for the tobacco to be used in the
operator's cigarette rolling machine;
(c) The operator has obtained, and has a current permit issued;
(d) All cigarette tubes used in the operator's cigarette rolling machine shall be constructed
of paper of a type determined by the attorney general, pursuant to regulations to be
promulgated by the attorney general, to reduce the likely ignition propensity of cigarettes
to be made with such tubes;
(e) At any location where the operator has a cigarette rolling machine, 75% of the
revenues of the operator's total merchandise sales at that location are comprised of
tobacco products, or the location where the cigarette rolling machine is situated prohibits
minors from entering the premises;
(f) The operator will not sell cigarettes or make a cigarette rolling machine available for
use, in any quantity less than 20 cigarettes per transaction, except for samples prepared in
connection with the purchase or prospective purchase of tobacco and consumed or
destroyed at the premises where the cigarette rolling machine is located; and
(g) The operator will not accept or allow its cigarette rolling machine to be used to
manufacture cigarettes with tobacco that was not first purchased or obtained from the
operator and for which the operator will timely and properly report to the State Attorney General. (ID Code 39-8423(1)).

IDAHO — MINORS

Individuals must be 18 years of age to purchase, use or possess tobacco products or electronic cigarettes (ID Code 39-5703(1)).
It shall be unlawful for a minor to sell or distribute tobacco products or electronic cigarettes or to attempt either of the foregoing (ID Code 39-5703(2)).
It is unlawful for a minor to provide false identification, or make any false statement regarding their age in an attempt to obtain tobacco products or electronic cigarettes (ID Code 39-5703(3)).
Penalties for violations by a minor shall an infraction and shall be punishable by a fine of $17.50. The first violation by a minor shall constitute an infraction and shall be punishable by a fine of $200. The court may, in addition to the penalties provided herein, require the minor and the minor’s parents or legal guardian to attend tobacco awareness programs or to perform community service in programs related to tobacco awareness (ID Code 39-5703(6)).
It shall be unlawful to sell, distribute or offer tobacco products or electronic cigarettes to a minor (ID Code 39-5705 (1)).
The person holding the permit to sell will be notified in writing of penalties to be levied for further violations in the case of a first violation (ID Code 39-5708(3)).
In the case of a second violation, the permit holder will be fined $200 (ID Code 39-5708) (4)).
For a third violation within a 2-year period, the permit holder will be fined $200 and the permit suspended for 7 days. If the violation is by an employee at the same location who was involved in any pervious citation, then the permit holder will be fined $400 (ID Code 39-5708) (5)).
In the case of four or more violations within a 2 year period, the permit holder will be fined $400 and the permit revoked until the permit holder demonstrates an effective training plan, plus suspension of permit (ID Code 39-5708(6)).

Signs Posted: Retail Stores. A sign may be clearly visible to the customer and the seller and shall state: “STATE LAW PROHIBITS THE SALE OF TOBACCO PRODUCTS TO PERSONS UNDER THE AGE OF EIGHTEEN (18) YEARS. PROOF OF AGE REQUIRED. ANYONE WHO SELLS OR DISTRIBUTES TOBACCO TO A MINOR IS SUBJECT TO STRICT FINES AND PENALTIES. MINORS ARE SUBJECT TO FINES AND PENALTIES” (ID Code 39-5704(6)).

Pact Act Reporting

If you sell cigarettes and smokeless tobacco products, you must follow the Prevent All Cigarette Trafficking (PACT) Act. This Federal law went into effect July 1, 2010, and requires you to register with Idaho, submit monthly reports, and meet certain requirements. According to 18 U.S.C. 2341 and 26 U.S.C. 5702, cigarettes include:

Any roll of tobacco wrapped in paper or in any substance not containing tobacco.
Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to, or purchased by, consumers as a cigarette as described in the bullet above.

Roll-your-own tobacco.

A delivery seller makes delivery sales. Delivery sales are sales of cigarettes or smokeless tobacco made to a consumer when:

- The consumer typically submits an order by telephone, the mail, the Internet, or isn’t otherwise physically present when the purchase is made, or
- The cigarettes or smokeless tobacco is delivered by common carrier or other delivery service, or
- The seller isn’t in the physical presence of the buyer when the buyer takes possession of the product.

The Act generally prohibits mailing cigarettes and smokeless tobacco through the U.S. Postal Service and requires those selling cigarettes or smokeless tobacco products into Idaho to:

- Register with and make monthly reports to the Idaho State Tax Commission.
- Pay all federal, state, and tribal tobacco taxes and affix cigarette tax stamps before delivering any products to any unlicensed customer, or acquire Idaho tax-paid product from an Idaho licensed cigarette wholesaler or tobacco distributor.
- Check the age and ID of customers at the time of purchase and when the tobacco products are delivered.

If you operate a business for profit that sells, transfers, or ships cigarettes or smokeless tobacco for interstate commerce into Idaho, or advertises these products for sale in Idaho, you must file a statement that includes the business name(s), address(es), telephone number(s), email address(es), website address(es), and the name, address, and phone number of an agent authorized to accept service.

Use Idaho Form CIG to register your business to comply with the PACT Act. You must also attach either a copy of your completed federal PACT Act Registration (ATF Form 5070.1) or a written statement that includes the information listed in the paragraph above.

If you’re a delivery seller, you must apply for an Idaho cigarette tax permit and/or an Idaho tobacco tax permit if you plan to sell cigarettes (or smokeless tobacco) in Idaho. Use Idaho Form CIG to apply for an Idaho cigarette tax permit or an Idaho tobacco tax permit.

The PACT Act requires monthly reports to Idaho due by the 10th day of each month, while Idaho cigarette and tobacco tax returns are due by the 20th of each month. The Tax Commission encourages you to combine reports and file only once.

You can file your Idaho cigarette tax return and Idaho tobacco tax return by the 10th day of each month to comply with the PACT Act. However, you must also include an addendum or internal
report that lists the brand of cigarettes or smokeless tobacco you’re selling. If you’re a delivery seller, please include the name, address, and phone number of your delivery service. You still have the option of paying any tax you owe on or before the 20th.
STATE OF ILLINOIS

General Information

Section 1 - Contact Information

Contact Person: Aaron Allen - Alcohol, Tobacco, and Fuel Division

Agency: Illinois Department of Revenue

Mailing Address: P.O. Box 19019

City, State, Zip Code: Springfield, IL 62794-9019

Phone Number: (217) 785-2826

Fax Number: (217) 785-0692

E-mail Address: Aaron.Allen@illinois.gov

Alternate Email Address: rev.atp-mfr@illinois.gov

Website: http://tax.illinois.gov/#&panel1-1

Agency: Illinois Attorney General’s Office - Tobacco Enforcement Bureau

Mailing Address: 500 South Second Street

City, State, Zip Code: Springfield, IL 62701

Phone Number: (217) 785-8541

Fax Number: (217) 524-4701

E-mail Address: ttobacco@atg.state.il.us

Website: http://ag.state.il.us/tobacco/index.html
Section 2 - Statutes, Regulations and Rules

Cigarette Tax Act:
- http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=584&ChapAct=35%2C0ILCS%2C2%0A0130/ChapterID=8&ChapterName=REVENUE&ActName=Cigarette%2BTax%2BAct
- http://tax.illinois.gov/LegalInformation/Regs/Part440/

Cigarette Use Tax Act:
- http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=585&ChapAct=35%2C0ILCS%2C5%0A0135/ChapterID=8&ChapterName=REVENUE&ActName=Cigarette%2BUse%2BTax%2BAct
- http://tax.illinois.gov/LegalInformation/Regs/Part450/

Tobacco Products Tax Act of 1995:
- http://tax.illinois.gov/LegalInformation/Regs/Part660/

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes - any roll for smoking made wholly or in part of tobacco irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, and the wrapper or cover of which is made of paper.

Little Cigars - any roll, made wholly or in part of tobacco, where such roll has an integrated cellulose acetate filter and weighs less than 4 pounds per thousand and the wrapper or cover of which is made in whole or in part of tobacco.

Tobacco products other than moist snuff - any cigars, including little cigars; cheroots; stogies; perique’s; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff (including moist snuff) or snuff flour; Cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking.

Moist snuff - any finely cut, ground, or powdered tobacco that is not intended to be smoked, but shall not include any finely cut, ground, or powdered tobacco that is intended to be placed in the nasal cavity.
Section 4 - The Basis for the Tax

Cigarettes – 99 mills per cigarette or $1.98 per pack of 20 (unit based).

Tobacco products excluding moist snuff – 36% of wholesale price minus deductions.

Moist Snuff – 0.3 times total weight in ounces minus deductions.

Little Cigars – 99 mills per stick.

Section 5 - Tax Rates and Miscellaneous Fees

Please see section 4 above.

Section 6 - Rate Updates

There are no rate changes in the works.

Section 7 - State Collection Allowance or Discount

Little Cigars and Cigarettes – 1.75% on the first $3,000,000 paid each year or 1.5% after that threshold has been met.

Section 8 - Any Other Permissible Allowances

There is no allowance for bad debt credits. There is an allowance for theft, must have police report and insurance claim.

Section 9 – The Point at Which Tax is imposed

Cigarettes – when they are stamped; Tobacco – when it is sold to a retailer.

Section 10 - Tax Return Due Dates

Returns are due on the 15th of each month, or the next business day should the 15th fall on a holiday or weekend.
Section 11 – Tax Return Filings

Electronic filing is available for all returns except the RC-55: Unstamped Little Cigar Sticks Tax Return.

Most returns can still be filed by paper.

MyTax Illinois or 3rd party software.

Companies with over 30 transactions per month are required to file electronically.

Section 12 – Tax Collection

Taxes can be paid by check/money order or electronic payment. Electronic payments must be submitted by the due date. For checks/money orders, the postmark date is used.

Section 13 - Penalties for Late Filing

Late filing penalty: 1-30 days - lesser of $250 or 2% of tax due; >31 days - additional lesser of $250 or 2%.

Late Payment penalty: 1-30 days = 2%; >31 days = 10%.

Bad Check penalty: $25.

Collection fee: <$1000 = $30; >$1000 = $100.

Section 14 – Local Jurisdictional Tax

Chicago, IL; Evanston, IL; Cook County, IL

Section 15 - Floor Stock Tax

We did impose a floor stock tax in 2012, which was our last rate change.
Section 16 – Qualifying Exemptions

Interstate commerce.
Sales from one IL distributor to another.
Sales to U.S. military, government.

Section 17 - Laws or Rules for Tribal Sales

There are no tribal lands in Illinois.

Section 18 - Information Required on a Customer Invoice

The amount of the Cigarette Tax shall be separately stated, apart from the price of the goods, by distributors, manufacturer representatives, secondary distributors, and retailers, in all bills and sales invoices.

All distributors, manufacturer representatives, and secondary distributors must include their license number on all invoices on sales to retailers unless they have obtained a waiver.

Section 19 – Responsibility by Agency

MSA Reporting: Illinois Attorney General’s Office
Enforcement/Collection: Illinois Department of Revenue
Product Seizure Authority: law enforcement and Criminal Investigation Division (Revenue)

Section 20 – New or Pending Legislation

Tobacco 21 – HB3208
Recreational Marijuana Use – SB316, HB2353
Vape Retailers Licenses – HB3877
Digital Cigarette Tax Stamps – SB850
Counter Sales – HB3809
License Information

Do licenses need to be renewed and if so, how frequently?
Annually.

Cigarette retailers – covers cigarettes and tobacco – annual fee of $75.

Tobacco retailer– only covers tobacco – annual fee of $75.

A license is needed for each location.

Secondary distributors also need a retailer’s license - $250 annually to be a secondary distributor.

Cigarette distributor - $250 annually.

Tobacco distributor - $250 annually.

Central Registration Division
Illinois Department of Revenue
PO Box 19030
Springfield, IL 62794-9030
rev.regbond@illinois.gov
(217)785-3707

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Colored, numbered, and heat applied.

Section 2 – Acquiring Stamps

TP fills out RC-1-A Cigarette Tax Stamp Order; stamps can be picked up in Springfield or they can be shipped. Payment must be sent electronically.

How are stamps delivered to the wholesaler/distributor?
The wholesaler/distributor must have a FedEx and/or UPS account on file with IDOR.
Section 3 - Bond Requirements

You must be a licensed cigarette distributor in Illinois to be able to purchase stamps. A cigarette distributor’s license requires a $2,500 bond.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Yes, but only with prior authorization.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes. Licensed cigarette distributors may possess unstamped packages of cigarettes; therefore, they can transfer/sell them to other licensed distributors.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
66.7% (2/3).

Section 6 – Refund Limitations

As to any claim filed hereunder with the Department on and after each January 1 and July 1, no amount of tax or penalty erroneously paid (either in total or partial liquidation of a tax or penalty under this Act) more than 3 years prior to such January 1 and July 1, respectively, shall be credited or refunded, except that if both the Department and the taxpayer have agreed to an extension of time to issue a notice of tax liability under this Act, the claim may be filed at any time prior to the expiration of the period agreed upon.

Section 7 – Credit Process for Manufacturer Returns

The TP completes a RC-16 Cigarette Tax Claim for Credit and returns it to Revenue with an affidavit from the manufacturer and a bill of lading.
**Section 8 – Other Allowed Credits**

Deductions are allowed on all of our tax returns for returned products.

**Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory**

Both inventories are reported on our cigarette tax forms. Discrepancies over a certain threshold are referred to the Audit Division.

**Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements**

There are none currently, but there is a proposed rule change that would limit stamp purchases based on Revenue’s stamp inventory.

**Pact Act Reporting**

The taxpayer mails or emails their PACT report to Revenue.
STATE OF INDIANA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF IOWA

General Information

Section 1 - Contact Information

Agency: Iowa Department of Revenue
Mailing Address: 1305 E Walnut St
City, State, Zip Code: Des Moines, IA 50319
Phone Number: (515) 281-6134
Fax Number: (515) 281-3756
E-mail Address: IDRCigarette@iowa.gov
Website: https://tax.iowa.gov/

Agency: Iowa Department of Justice/Office of the Attorney General
Mailing Address: 1305 E Walnut St
City, State, Zip Code: Des Moines, IA 50319
Phone Number: (515) 281-4951
E-mail Address: matthew.gannon@iowa.gov
Website: https://www.iowaattorneygeneral.gov/

Section 2 - Statutes, Regulations and Rules

Rules:
https://www.legis.iowa.gov/law/administrativeRules/chapters?agency=701&pubDate=09-03-2014

Chapter 82, Chapter 83, Chapter 84 and Chapter 85

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

“Cigarette” means any roll for smoking made wholly or in part of tobacco, or any substitute for tobacco, irrespective of size or shape and irrespective of tobacco or any substitute for tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material. However, “cigarette” shall not be construed to include cigars.

“Tobacco products” means cigars; little cigars as defined in section 453A.42, subsection 5; cheroots; stogies; perique’s; granulated; plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; Cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; or refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but does not mean cigarettes.

“Snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked.

“Little cigar” means any roll for smoking which: a. Is made wholly or in part of tobacco, irrespective of size or shape and irrespective of tobacco being flavored, adulterated, or mixed with any other ingredient; b. Is not a cigarette as defined in section 453A.1, subsection 4; and c. Either weighs not more than three pounds per thousand, irrespective of retail price, or weighs more than three pounds per thousand and has a retail price of not more than two and one-half cents per little cigar. For purposes of this subsection, the retail price is the ordinary retail price in this state, not including retail sales tax, use tax, or the tax on little cigars imposed by section 453A.43.

Section 4 - The Basis for the Tax

“Wholesale Sales Price” means the established price for which manufacturer sells a tobacco product to a distributor, exclusive of any discounts or other reductions. Weight is by ounce.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes Pack 20s $1.36 Pack 25s $1.70
OTP – 50% of wholesale sales price
Snuff - $1.19 an ounce
Cigars – 50% of wholesale sales price of $0.50 per stick.
Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Yes, the Distributor gets the discount. Cigarette 2% Tobacco 3.5%.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarette – Tax is paid when the stamps are purchased. Tobacco – In-state distributors pay the tax when the product is purchased and brought into the state. Out-of-state distributors pay the tax when the product is sold into state.

Section 10 - Tax Return Due Dates

If a due date falls on a weekend, federal holiday, or legal holiday as defined in Iowa Code section 4.1(34), the due date will extend to the next working day.

Cigarette – On or before the 10th day of the month following the month for which the return covers. Timely filed return is based on the postmark date.

Tobacco – On or before the 20th day of the month following the month for which the return covers. Timely filed return is based on the postmark date.

Section 11 – Tax Return Filings

Returns must be submitted by mail. Payment must be included if tax is due.

Section 12 – Tax Collection

Cigarette – Payment must be included with the order form. We do offer payments to be submitted electronically thru Dwolla.

Tobacco – Payment can only be made by check and submitted with the return.
Section 13 - Penalties for Late Filing

Cigarette – First late filed return $200, second $500, and $1,000 for all subsequent late filed return within 2 years.

Tobacco – 5% or 10% of tax due.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

None noted.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

No response received from state.

Section 19 – Responsibility by Agency

MSA Reporting: Office of the Attorney General and Iowa Department of Revenue.
Enforcement/Collection: Office of the Attorney General, Iowa Department of Revenue, and Iowa Alcoholic Beverage Division
Product Seizure Authority: Local and state law enforcement and agent/representative for the Iowa Department of Revenue.

Section 20 – New or Pending Legislation

None noted.
License Information

Do licenses need to be renewed and if so, how frequently?
Retailers – Are required to obtain a retail permit to sell cigarettes, tobacco products, alternative nicotine products, and vapor products. Permits must be renewed each year and expire on June 30th. The permits fees are $50 in places outside of any city, $75 in cities less than fifteen thousand and $100 in cities more than fifteen thousand. Permits are issued by the jurisdiction where the business is located.
Distributors/wholesalers/sub jobbers/manufacturers – Are required to obtain a permit with the Iowa Department of Revenue. Permits must be renewed each year and expire on June 30th.
Fees and required bonds are as follows:
601/621 Cigarette Distributor (only) ............... ☐ Fee: $100.00 Required Bond: $2500.00
606/626 Tobacco Distributor (only)................... ☐ Fee: $100.00 Required Bond: $1000.00
602 Cigarette Manufacturers .............................. ☐ Fee: $0 Required Bond: $5000.00
603 Cigarette Vendors (only)........................... ☐ Fee: $100.00 Required Bond: $1000.00
604 Cigarette Wholesalers (only) ....................... ☐ Fee: $100.00 Required Bond: $2500.00
605 Tobacco Sub jobbers (only) .......................... ☐ Fee: $10.00 Required Bond: $0
607 Distributing Agent .................................... ☐ Fee: $100.00 Required Bond: $2500.00
608 Railway Car Retailers ................................. ☐ Fee: $25.00 Required Bond: $500.00
601/621 and 606/626 (2 permits) .......................... ☐ Fee: $100.00 Required Bond: $3500.00
604 and 605 (2 permits) ................................. ☐ Fee: $100.00 Required Bond: $2500.00
Cigarette Distributor and Tobacco Distributor... ☐ Fee: $100.00 Required Bond: $3500.00
604 and 605 (2 permits) ................................. ☐ Fee: $100.00 Required Bond: $2500.00

Cigarette/Cigarette Tax Stamp Information

Section 1 – Tax Stamp Attributes

Pack 20s – Dark and light orange color with light blue lettering. Five digit roll number and five digit stamp number. Heat applied.

Pack 25s – Dark and light blue color with dark blue lettering. Five digit roll number and five digit stamp number. Heat applied.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
Stamps can be mailed by the Department’s mailing policy, Fed Ex (at the permit holder’s expense), or by walk-in.
Section 3 - Bond Requirements

601/621 Cigarette Distributor (only) Required Bond: $2500.00
606/626 Tobacco Distributor (only) Required Bond: $1000.00
602 Cigarette Manufacturers Required Bond: $5000.00
603 Cigarette Vendors Required Bond: $1000.00
604 Cigarette Wholesalers (only) Required Bond: $2500.00
605 Tobacco Sub jobbers Required Bond: $0
607 Distributing Agent Required Bond: $2500.00
608 Railway Car Retailers Required Bond: $500.00
601/621 and 606/626 (2 permits) Cigarette Distributor and Tobacco Distributor Required Bond: $3500.00
604 and 605 (2 permits) Cigarette Wholesaler and Tobacco Sub jobber Required Bond: $2500.00

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
No.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes. A refund affidavit can be submitted to the department for a refund.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Must have at least 50% of the stamp present to qualify for a refund.

Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

The distributor must submit an Iowa Cigarette Refund Affidavit Form 70-039 to the Department along with the original credit memo received from the manufacturer. The Department will review all claims and issue any refunds due to the distributor.
Section 8 – Other Allowed Credits

Credit is given for OTP returned to the manufacturer.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Stamps shall be affixed within forty-eight hours, exclusive of Sundays and legal holidays, from the hour the cigarettes were received, and shall be affixed before such distributor sells, offers for sale, consumes or otherwise distributes or transports the same.

Pact Act Reporting

PACT Act reports are due on the 10th day of the month following the month for which the report is for. They can be sent in electronically through Secure File Exchange or by mail.
STATE OF KANSAS

General Information

Section 1 - Contact Information

Contact Person: Marci Rosencutter, Cigarette Tobacco Manager
Agency: Kansas Department of Revenue
Mailing Address: 915 SW Harrison St.
City, State, Zip Code: Topeka, KS 66612-1588
Phone Number: (785) 368-8222
Fax Number: (785) 296-4993
Email Address: marcia.rosencutter@ks.gov
Alternate E-mail Address: cigtob@kdor.gov
Website: http://www.ksrevenue.org/bustaxtypescig.html

Contact Person: Jordan Brewer
Agency: Kansas Attorney General Office
Mailing Address: 120 SW 10th Ave., 2nd Floor
City, State, Zip Code: Topeka, KS 66612-1597
Phone Number: (785) 368-6289
Email Address: tobacco@as.ks.gov
Website: http://ag.ks.gov/licensing/tobacco-enforcement
Section 2 - Statutes, Regulations and Rules

Statutes: http://www.kslegislature.org Cigarette and Tobacco Products Tax Laws – K.S.A. Chapter 79, Article 33

Regulations http://rvpolicy.kdor.ks.gov/

Cigarette Regulations, K.A.R. Agency 92, Article 5
Tobacco Products Regulations, K.A.R. Agency 92, Article 17
Consumable Material Regulations, K.A.R. Agency 92, Article 57

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

K.S.A. 79-3301, "Cigarette" means any roll for smoking, made wholly or in part of tobacco, irrespective of size or shape, and irrespective of tobacco being flavored, adulterated or mixed with any other ingredient if the wrapper is in greater part made of any material except tobacco.

K.S.A. 79-3301, "Tobacco products" means cigars, cheroots, stogies, perique’s; granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco; snuff, snuff flour; Cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking. Tobacco products do not include cigarettes.

K.S.A. 79-3301, "Electronic cigarette" means a battery-powered device, whether or not such device is shaped like a cigarette that can provide inhaled doses of nicotine by delivering a vaporized solution by means of cartridges or other chemical delivery systems.

Section 4 - The Basis for the Tax

K.S.A. 79-3378. Every distributor with a place of business in this state shall file a return with the director showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the director. Each return shall be accompanied by a remittance for the full tax liability shown therein, less four percent (4%) of such liability as compensation to reimburse the distributor for his or her expenses incurred in the administration of this act.
Section 5 - Tax Rates and Miscellaneous Fees

K.S.A. 79-3310. There is imposed a tax upon all cigarettes sold, distributed or given away within the state of Kansas. On and after July 1, 2015, the rate of such tax shall be $1.29 on each 20 cigarettes or fractional part thereof or $1.61 on each 25 cigarettes, as the case requires.

K.S.A. 79-3371. A tax is hereby imposed upon the privilege of selling or dealing in tobacco products in this state by any person engaged in business as a distributor thereof, at the rate of ten percent (10%) of the wholesale sales price of such tobacco products.

K.S.A. 79-3399(a). On and after January 1, 2017, a tax is hereby imposed upon the privilege of selling or dealing in electronic cigarettes in this state by any person engaged in business as a distributor thereof, at the rate of $.20 per milliliter of consumable material for electronic cigarettes and a proportionate tax at the like rate on all fractional parts thereof.

Section 6 - Rate Updates

2017 SB 130, Decrease in Consumable Material from $.20 to $.05 per milliliter.

Section 7 - State Collection Allowance or Discount

Cigarette K.S.A. 79-3311. Stamps applied by the heat process and meter imprints shall be supplied to wholesale dealers at a discount of 0.55% on and after July 1, 2015, and thereafter, from the face value thereof, and shall be deducted at the time of purchase or from the remittance therefor as hereinafter provided.

OTP K.S.A. 79-3378. Each return shall be accompanied by a remittance for the full tax liability shown therein, less four percent (4%) of such liability as compensation to reimburse the distributor for his or her expenses incurred in the administration of this act.

Consumable Material None.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarette K.S.A. 79-3310. Such tax shall be paid only once and shall be paid by the wholesale dealer first receiving the cigarettes.
OTP K.S.A. 79-3371. Such tax shall be imposed at the time the distributor (a) brings or causes to be brought into this state from without the state tobacco products for sale; (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (c) ships or transports tobacco products to retailers in this state to be sold by those retailers.

Consumable Material K.S.A. 79-3399(a). For electronic cigarettes in the possession of retail dealers for which tax has not been paid, tax shall be imposed at the earliest time the retail dealer: (1) brings or causes to be brought into this state from without the state electronic cigarettes for sale; (2) makes, manufactures or fabricates electronic cigarettes in this state for sale in this state; or (3) sells electronic cigarettes to consumers within this state.

Section 10 - Tax Return Due Dates

Cigarette K.S.A. 79-3316. On or before the 10th day of each month.

OTP K.S.A. 79-3378. On or before the 20th day of each calendar month.

Consumable Material K.A.R. 92-57-5. On or before the 20th day of each calendar month.

Section 11 – Tax Return Filings

All reports shall be made on forms provided by the director. Electronic filing is available through our web site. Specifications on the web site must be followed. Mandatory electronic reporting is expected soon.

Section 12 – Tax Collection

Payments are accepted via mail and electronically through our web site. Electronic payments must be submitted by the due date. Mailed payments must be postmarked by the due date.

Section 13 - Penalties for Late Filing

K.S.A. 79-3396. Failure to file; penalty. (a) In addition to or in lieu of any other civil or criminal penalty provided by law, the director, upon a finding that a licensee has violated the provisions of subsection (u), (v) or (w) of K.S.A. 79-3321, and amendments thereto, or has failed to comply with the provisions of K.S.A. 2016 Supp. 79-3395, and amendments thereto, or any rule and regulation adopted pursuant thereto, may revoke or suspend the license of any licensee in the manner provided by K.S.A. 79-3309, and amendments thereto; the director also may impose a civil fine in an amount not to exceed the greater of 500% of the retail value of the cigarettes involved or $5,000. Such fine shall be imposed in the manner provided by K.S.A. 79-3391, and amendments thereto.
K.S.A. 79-3615. Interest and penalties. (a) If any taxpayer shall fail to pay the tax required under this act at the time required by or under the provisions of this act, there shall be added to the unpaid balance of the tax, interest at the rate per month prescribed by subsection (a) of K.S.A. 79-2968, and amendments thereto, from the date the tax was due until paid.

Additionally, any future cigarette stamp purchases are put on hold until late payments are brought current.

**Section 14 – Local Jurisdictional Tax**

None noted.

**Section 15 - Floor Stock Tax**

Usually yes, however, any floor stock tax is determined by the legislature. See K.S.A. 79-3310c.

**Section 16 – Qualifying Exemptions**

For sales within the state, none.

**Section 17 - Laws or Rules for Tribal Sales**

Each compacting tribe has a stamp that is applied instead of the state stamp. Any special laws are based on the compact signed. Tribal reporting forms, similar to non-tribal forms, are submitted monthly.

**Section 18 - Information Required on a Customer Invoice**

K.S.A. 79-3316(c). All invoices issued by wholesale dealers shall be in duplicate and a copy must accompany the consigned cigarettes. Cigarettes sold by a wholesale dealer to any other dealer shall be evidenced by invoices bearing the vendee's name and license number. A wholesale dealer selling cigarettes to a manufacturer's salesperson shall at the time of delivery of same make a true duplicate invoice inserting therein the name of the salesman together with the name of such salesperson's employer.
Section 19 – Responsibility by Agency

MSA Reporting: Kansas Attorney General’s Office
Enforcement/Collection: Kansas Department of Revenue
Product Seizure Authority: Kansas Attorney General’s Office and Kansas Department of Revenue

Section 20 – New or Pending Legislation

SB 175 & HB 2315 – proposes a cigarette tax increase to $2.29 on each 20 cigarettes or $2.86 on each 25 cigarettes; tobacco tax increase to 20% of the wholesale price.

SB 96 – proposes definitions, licenses and permits, suspension or revocation licenses, stamps, records required of dealers, unlawful acts, penalties, sale of cigarettes, application of certain laws to taxes, remittance of taxes and escrow deposits.

HB 2231 – proposes a cigarette tax increase to $2.79 on each 20 cigarettes or $3.49 on each 25 cigarettes; tobacco tax increase to 65% of the wholesale price.

SB 130 – proposes definition of consumable material; decrease tax to $.05 per milliliter

License Information

Do licenses need to be renewed and if so, how frequently?

K.S.A. 79-3304. The license fee for each biennium or portion thereof shall be as follows:
(1) For retail dealer's license, $25 for each dealer establishment.
(2) For retailer's license on railroad or sleeping cars, $50. Only one retail license need be obtained by each railroad or sleeping car Company to permit the sale of cigarettes on any or all of its cars within the state.
(3) For show, carnival or catering license, $50 for each concession.
(4) For resident retail dealer's temporary license for a place of business of a temporary nature, $2 for each seven days or portion thereof.
(5) For wholesale dealer's license, $50 for each dealer establishment.
(6) For vending machine distributor's license, $50.
(7) For manufacturer's salesperson license, $20 for each salesperson.
(8) For vending machine operator's license, no fee.
(9) For vending machine permit, $25 for each permit.

K.S.A. 79-3374. Each application for a distributor's license shall be accompanied by a fee of twenty-five dollars ($25).

K.A.R. 92-57-2. Each distributor shall obtain a certificate of registration issued by the director before engaging in the business of selling or dealing in consumable material in Kansas.
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

K.S.A. 79-3311. Stamps applied by the heat process shall be sold only in amounts of 30,000 or multiples thereof, except that such stamps which are suitable for packages containing 25 cigarettes each shall be sold in amounts prescribed by the director.

Stamps are designed by the director. Current stamps are magenta in color for 20s and orange for 25s.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
Orders are taken via phone, mail, email or electronically through our web site. They are then shipped via UPS. However, should the wholesaler request the order to be shipped Fed Ex; an account number must be provided.

Section 3 - Bond Requirements

Cigarette License K.S.A. 79-3304. No wholesale dealer's license shall be issued until the person applying therefor has filed with the director a bond payable to the state of Kansas in such an amount as shall be fixed by the director, but in no event less than $1,000, with a corporate surety authorized to do business in the state of Kansas, and approved by the director. If a wholesale dealer is unable to secure a corporate surety bond, the director may issue a license to such wholesale dealer, upon the wholesale dealer furnishing a personal bond meeting the approval of the director. Such bond shall be conditioned on the wholesale dealer's compliance with all the provisions of this act during the license period.

Cigarette Stamps K.S.A. 79-3311. Any wholesale cigarette dealer who shall file with the director a bond, of acceptable form, payable to the state of Kansas with a corporate surety authorized to do business in Kansas, shall be permitted to purchase stamps, and remit therefor to the director within 30 days after each such purchase, up to a maximum outstanding at any one time of 85% of the amount of the bond.

OTP K.S.A. 79-3374. The application shall be accompanied by a corporate surety bond issued by a surety company authorized to do business in this state, conditioned for the payment when due of all taxes, penalties and accrued interest which may be due the state. The bond shall be in an amount to be determined by the director and in a form prescribed by the director. Whenever it is the opinion of the director that the bond given by a licensee is inadequate in amount to fully protect the state, he or she shall require an additional bond in such amount as he or she deems sufficient.
Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?  
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?  
No.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?  
No.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?  
No.

Section 6 – Refund Limitations

79-3312. The director shall redeem any unused stamps that any wholesale dealer presents for redemption within six months after the purchase thereof, at the face value less 0.55% thereof if such stamps have been purchased from the director. Wholesale dealers shall be entitled to a refund of the tax paid on cigarettes which have become unfit for sale upon proof thereof less 0.55% of such tax.

Section 7 – Credit Process for Manufacturer Returns

Wholesalers are to complete form CG-47 and attach the manufacturer’s affidavit.

Section 8 – Other Allowed Credits

79-3379. Where tobacco products, on which the tax imposed has been reported and paid, or which have been reported for the purpose of determining and imposing the tax for the privilege of doing business under the provisions of the act and on which the tax has been paid, are sold, shipped or transported by the distributor to retailers, distributors or ultimate consumers without the state, or are returned to the manufacturer by the distributor, or destroyed by the distributor, a refund or credit of such tax shall be made to the distributor.
Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

The wholesaler must complete lines 15a or 18 on form CG-8 monthly report.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

Effective Jan. 1, 2016, all PACT Act reports are required to be filed electronically in a manner prescribed by the Director of Taxation and the Kansas Attorney General. This bill was enforced effective June 1, 2016, to allow customers adequate time to convert to electronic filing. Filing specifications are posted on our web site.
STATE OF KENTUCKY

General Information

Section 1 - Contact Information

Contact Person: Jeanne Thompson
Agency: Department of Revenue
Mailing Address: Station 62, 501 High St
City, State, Zip Code: Frankfort, KY 40601
Phone Number: (502) 564-1515
Fax Number: (502) 564-3393
E-mail Address: Jeanne.Thompson@ky.gov
Website: http://revenue.ky.gov/Business/Tobacco-Tax

Contact Person: Michael Plumley
Agency: Attorney General
Mailing Address: Suite 118, 700 Capitol Ave
City, State, Zip Code: Frankfort, KY 40601
Phone Number: (502) 696-5663
Fax Number: (502) 564-2894
E-mail Address: Michael.Plumley@ky.gov
Website: http://ag.ky.gov/civil/tobacco
Section 2 - Statutes, Regulations and Rules


Regulations:  http://www.lrc.ky.gov/kar/TITLE103.HTM (Chapter 41)

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes:  Any roll for smoking made wholly or in part of tobacco, or any substitute for tobacco, irrespective of size or shape and whether or not the tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material, excepting tobacco.  http://www.lrc.ky.gov/Statutes/statute.aspx?id=45413

Tobacco Products:  Any smokeless tobacco products, smoking tobacco, chewing tobacco, and any kind or form of tobacco product prepared in a manner suitable for chewing or smoking, or both, or any kind or form of tobacco that is suitable to be placed in an individual’s oral cavity, except cigarettes.  http://www.lrc.ky.gov/Statutes/statute.aspx?id=45413

Snuff:  Tobacco that is finely cut, ground, or powdered; and is not for smoking.  Snuff includes snus.  http://www.lrc.ky.gov/Statutes/statute.aspx?id=45413

Chewing Tobacco:  Any leaf tobacco that is not intended to be smoked and includes loose leaf chewing tobacco, plug chewing tobacco, and twist chewing tobacco, but chewing tobacco does not include snuff.  http://www.lrc.ky.gov/Statutes/statute.aspx?id=45413

Electronic Cigarettes:  Not Applicable.

Section 4 - The Basis for the Tax

Cigarettes:  Stamping Wholesaler - Kentucky Revised Statute (KRS) 138.140

Cigarette Enforcement and Administration Fee:  Stamping Wholesaler (KRS 365.390)

Tobacco Products (except Snuff and Chewing Tobacco):  Distributor’s Sales Price (KRS 138.140); Retailer’s Purchase Price (for resale to consumers only)

Snuff:  Distributor/Retailer - Unit Based (KRS 138.140)

Chewing Tobacco:  Distributor/Retailer - Weight Based (KRS 138.140)
Electronic Cigarettes: Not Applicable.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes: $0.60/pack of 20 cigarettes, $0.75/pack of 25 cigarettes.

Cigarette Enforcement and Administration Fee: $0.003/pack of stamps affixed.

Tobacco Products (except Snuff and Chewing Tobacco): 15% of distributor’s sales price or retailer’s purchase price (for resale to consumers only).

Snuff: $0.19 per each one and one-half (1-1/2) ounces or portion thereof by net weight sold.

Chewing Tobacco: $0.19 per each single unit sold; $0.40 per each half-pound unit sold; or $0.65 per each pound unit sold.

Electronic Cigarettes: Not Applicable.

Section 6 - Rate Updates

No rate updates for fiscal year 2016-2017 at this time.

Section 7 - State Collection Allowance or Discount

For the purchase of cigarette tax stamps, there is compensation of 9.09% on the first 5% of excise tax due. For all tobacco products (except cigarettes), there is a distributor discount of 1% for timely filed reports and payment of tax.

Section 8 - Any Other Permissible Allowances

No, but compensation is allowed. See above.

Section 9 – The Point at Which Tax is imposed

Cigarettes: The tax imposed shall be due when any licensed wholesaler or unclassified acquirer takes possession within this state of untax-paid cigarettes. http://www.lrc.ky.gov/Statutes/statute.aspx?id=28678

Section 10 - Tax Return Due Dates

<table>
<thead>
<tr>
<th>Name of Report</th>
<th>Due Date of Report</th>
<th>Due Date of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Report of Cigarette Wholesaler (Form 73A420)</td>
<td>The 20th of the following month</td>
<td>The 20th of the following month</td>
</tr>
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<td><a href="http://revenue.ky.gov/Forms/73A420212.pdf">http://revenue.ky.gov/Forms/73A420212.pdf</a></td>
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<tr>
<td>Monthly Report of Tobacco Products, Snuff, and Chewing Tobacco (Form 73A422)</td>
<td>The 20th of the following month</td>
<td>The 20th of the following month</td>
</tr>
<tr>
<td><a href="http://revenue.ky.gov/Forms/FORM73A422MthlyTobRe">http://revenue.ky.gov/Forms/FORM73A422MthlyTobRe</a></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

They are due the next business day following the holiday or weekend, if the due date falls on a holiday or weekend.

Postmarked for paper/electronic date stamp for electronic data, is considered a timely filed tax return.

Section 11 – Tax Return Filings

Kentucky only accepts mailed paper returns and payments at this time but anticipates going to electronic filing within the next year.

Section 12 – Tax Collection

Kentucky only accepts mailed paper returns and payments at this time but anticipates going to electronic filing within the next year. The Department of Revenue Direct-to-Distributor (Dtd) Cigarette Tax Stamp Ordering System went live on April 27, 2017. Licensed wholesalers can order and pay for cigarette tax stamps using a convenient web-based application.

Section 13 - Penalties for Late Filing

<table>
<thead>
<tr>
<th>Name of Report</th>
<th>Report Penalties</th>
<th>Payment Penalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Report of Cigarette Wholesaler (Form 73A420)</td>
<td>2% of tax due for each 30 days that the report is late. Total penalty shall not exceed 20% of the total tax due, but not less than ten dollars ($10).</td>
<td>2% of tax due for each 30 days that the report is late. Total penalty shall not exceed 20% of the total tax due, but not less than ten dollars ($10).</td>
</tr>
</tbody>
</table>
**Section 14 – Local Jurisdictional Tax**

None noted.

**Section 15 - Floor Stock Tax**

Yes. The last rate increase was established effective April 1, 2009, and a floor stock tax was imposed on cigarettes/tobacco products held in inventory.

**Section 16 – Qualifying Exemptions**

Cigarettes sold to an instrumentality of the United States Government are not subject to the state tax. A Kentucky licensed Tobacco Product Distributor may sell tobacco products (other than cigarettes) to another Kentucky licensed Tobacco Product Distributor without payment of the excise tax. In such case, the purchasing licensed distributor shall be the distributor liable for the tax.

**Section 17 - Laws or Rules for Tribal Sales**

There are no Native American reservations in Kentucky.

**Section 18 - Information Required on a Customer Invoice**

A licensed distributor or licensed retail distributor shall:

a. Identify and display the distributor’s or retail distributor’s license number on the invoice to the retailer; and

b. Identify and display the excise tax separately on the invoice to the retailer. If the excise tax is included as part of the product’s sales price, the licensed distributor or licensed retail distributor shall list the total excise tax in summary form by tax type with invoice totals.

It shall be presumed that the excise tax has not been paid if the licensed distributor or licensed retail distributor does not comply with (a) and (b) above.
Section 19 – Responsibility by Agency

MSA Reporting: The Kentucky Department of Revenue and the Attorney General’s Office
Enforcement/Collection: Any peace officer of Kentucky, the Kentucky Department of Revenue, and the Attorney General’s Office
Product Seizure Authority: Any peace officer of Kentucky, the Kentucky Department of Revenue, and the Attorney General’s Office

Section 20 – New or Pending Legislation

No new or pending legislation at this time.

License Information

Do licenses need to be renewed and if so, how frequently?
An applicant needs to reapply every year for a valid cigarette/tobacco license. All applicable license information can be found at:
http://revenue.ky.gov/Forms/73A181.pdf

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Kentucky’s cigarette tax stamps are heat applied (red-20s and green-25s) with serial numbers.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
The Kentucky Department of Revenue utilizes the Direct-to-Distributor (DtD) system through Meyercord/SICPA. Licensed wholesalers can order and pay for cigarette tax stamps using a convenient web-based application. With the DtD system, Meyercord directly ships all orders from its fulfillment center to licensed stamping facilities. Free Ground Shipping is included with each order. For wholesalers who would like faster delivery, shipping charges can be billed directly to their FedEx or UPS account. To take advantage of this service, email KRC.webresponsetobaccotax@ky.gov or ussupport@sicpa.com.
Section 3 - Bond Requirements

Kentucky does not allow a bond to secure purchases of cigarette tax stamps on credit. Payment must be received before stamps are shipped to the wholesaler.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No, Kentucky law expressly forbids the transfer of stamps. Per KRS 138.146(5), “No tax evidence may be affixed, or used in any way, by any person other than the person purchasing the evidence from the department. Tax evidence may not be transferred or negotiated, and may not, by any scheme or device, be given, bartered, sold, traded, or loaned to any other person.”

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
No.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
No. Per KRS 138.146(5), “Unaffixed tax evidence may be returned to the department for credit or refund.”

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
No, the only way for a wholesaler to receive credit for a cigarette tax stamp is to return to the manufacturer and receive/submit an original Manufacturer’s Affidavit showing the package was stamped with a Kentucky stamp. There is no credit for misapplied tax stamps.

Section 6 – Refund Limitations

Four years from the acquisition date.

Section 7 – Credit Process for Manufacturer Returns

Submit the Cigarette Tax Credit Claim (Form 73B401) along with an original Manufacturer’s Affidavit showing the package was stamped with a Kentucky stamp to receive credit. Ensure this credit is reported on the monthly return.
Section 8 – Other Allowed Credits

Credit is allowed on a distributor’s return from a customer where Kentucky tax was charged or remitted. Documentation substantiating the credit must be maintained.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Tax is due based on cigarettes stamps applied each month. If a wholesaler distributes more cigarettes than it has stamped, the taxpayer will receive an audit adjustment reflecting the variance.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

A wholesaler shall have enough stamps to cover the un stamped cigarette inventory. Per KRS 138.146, “The tax shall be due when any licensed wholesaler takes possession within this state of untax-paid cigarettes. The tax shall be paid by the purchase of stamps by a wholesaler within forty-eight (48) hours after the wholesaler receives the cigarettes.”

Pact Act Reporting

If you sell cigarettes and smokeless tobacco products, you must follow the Prevent All Cigarette Trafficking (PACT) Act. This Federal law went into effect July 1, 2010, and requires you to register with Kentucky, submit monthly reports, and meet certain requirements. According to 18 U.S.C. 2341 and 26 U.S.C. 5702, cigarettes include:

- Any roll of tobacco wrapped in paper or in any substance not containing tobacco.
- Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to, or purchased by, consumers as a cigarette as described in the bullet above.
- Roll-your-own tobacco.

A delivery seller makes delivery sales. Delivery sales are sales of cigarettes or smokeless tobacco made to a consumer when:

- The consumer typically submits an order by telephone, the mail, the Internet, or isn’t otherwise physically present when the purchase is made, or
- The cigarettes or smokeless tobacco is delivered by common carrier or other delivery service, or
- The seller isn’t in the physical presence of the buyer when the buyer takes possession of the product.
The Act generally prohibits mailing cigarettes and smokeless tobacco through the U.S. Postal Service and requires those selling cigarettes or smokeless tobacco products into Kentucky to:

- Register with and make monthly reports to the Kentucky Department of Revenue.
- Pay all federal, state, and tribal tobacco taxes and affix cigarette tax stamps before delivering any products to any unlicensed customer, or acquire Kentucky tax-paid product from a Kentucky licensed cigarette wholesaler or tobacco distributor.
- Check the age and ID of customers at the time of purchase and when the tobacco products are delivered.

If you operate a business for profit that sells, transfers, or ships cigarettes or smokeless tobacco for interstate commerce into Kentucky, or advertises these products for sale in Kentucky, you must file a statement that includes the business name(s), address(es), telephone number(s), email address(es), website address(es), and the name, address, and phone number of an agent authorized to accept service.

The PACT Act requires monthly reports to Kentucky due by the 10th day of each month, while Kentucky cigarette and tobacco tax returns are due by the 20th of each month. The Kentucky Department of Revenue encourages you to combine reports and file only once. You can file your Kentucky cigarette tax return and Kentucky tobacco tax return by the 10th day of each month to comply with the PACT Act. However, you must also include an addendum or internal report that lists the brand of cigarettes or smokeless tobacco you are selling. If you are a delivery seller, please include the name, address, and phone number of your delivery service. You still have the option of paying any tax you owe on or before the 20th.
STATE OF LOUISIANA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF MAINE

General Information

Section 1 - Contact Information

Agency:  Department of Revenue – Maine Revenue Services
         Sales, Fuel, and Special Tax Division

Mailing Address:  P.O. Box 1060

City, State, Zip Code:  Augusta, ME  04330-1060

Phone Number:  207-624-9693

Fax Number:  207-287-6628

E-mail Address:  sales.tax@maine.gov

Website:  www.maine.gov/revenue
         www.maine.gov/dafs

Agency:  AGO/DOJ – Maine Attorney General
         Attn:  Vivian Mikhail, AAG

Mailing Address:  6 State House Station

City, State, Zip Code:  Augusta, ME  04333-0006

Phone Number:  207-626-8984

Fax Number:  207-624-7730

E-mail Address:

Website:  http://www.maine.gov/ag
Section 2 - Statutes, Regulations and Rules

http://www.maine.gov/revenue/othertaxes/tobacco/ExciseBull3CigTob091109.pdf
http://www.mainelegislature.org/legis/statutes/36/title36sec4403.html

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes. "Cigarette" means a cigarette, as defined in Section 5702 of the Code.

Tobacco products. "Tobacco products" means cigars; cheroots; stogies; periques, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; finecut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking.

Section 4 - The Basis for the Tax

Tobacco – Smoking tobacco is taxed at 20%; Smokeless tobacco in retail containers weighing less than 1 ounce are taxed at $2.02 per package; Smokeless tobacco in retail containers weighing 1 ounce or more are taxed at $2.02 per oz.

Cigarettes are taxed at the rate of 100 mills for each cigarette.

Section 5 - Tax Rates and Miscellaneous Fees

See above.

Section 6 - Rate Updates

None noted at this time.

Section 7 - State Collection Allowance or Discount

There is currently no discount for tobacco distributors, but there is a discount for cigarette distributors when placing an order for stamps. The discount is 1.15% for cigarette distributors.
Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Tax is imposed when the product is brought into the State.

Section 10 - Tax Return Due Dates

No due date given. If the due date falls on a holiday or weekend, it defaults to the next business day. The received date is the postmark date.

Section 11 – Tax Return Filings

Currently returns can only by filed via paper.

Section 12 – Tax Collection

Effective January 1, 2015, taxpayers remitting over $10,000.00 in combined tax liability must pay electronically. For ACH Debit payments, taxpayers may utilize the MRS EZ pay system. For ACH Credit payments taxpayers must complete an application and obtain approval from MRS. The payment has to be remitted by midnight the day that it is due in order to be considered timely.

Section 13 - Penalties for Late Filing

A return that is not filed at or before the time the return becomes due is liable for one of the following penalties if the person's tax liability shown on that return or otherwise determined to be due is greater than $25.

A. If the return is filed before or within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, or if the return is not filed but the tax due is assessed by the assessor before the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is $25 or 10% of the tax due, whichever is greater.

B. If the return is not filed within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is $25 or 25% of the tax due, whichever is greater. The period provided by this paragraph must be extended for up to 90 days if the taxpayer requests an extension in writing prior to the expiration of the original 60-day period.
C. If the return is not filed and the assessor makes a determination of jeopardy pursuant to section 145, the penalty is 25% of the tax due.

**Section 14 – Local Jurisdictional Tax**

No.

**Section 15 - Floor Stock Tax**

Yes, for cigarette tax.

**Section 16 – Qualifying Exemptions**

Tobacco tax does not apply to products exported from the State of Maine.

**Section 17 - Laws or Rules for Tribal Sales**

If manufacturing, the Tobacco Product Manufacturer Annual Certificate of Compliance must be completed and returned to the Maine Attorney General’s Office. No special stamps are required.

**Section 18 - Information Required on a Customer Invoice**

Distributor name, customer name, excise tax charged.

**Section 19 – Responsibility by Agency**

MSA Reporting: Maine Attorney General
Enforcement/Collection: DAFS/Maine Revenue Services/Special Enforcement Unit


**Section 20 – New or Pending Legislation**

None noted.
License Information

In order to become a licensed tobacco or cigarette distributor, the Maine Revenue Services application for registration located at http://www.maine.gov/revenue/forms/general/reg.pdf must be completed. There is no fee for this registration form.

To become a tobacco retailer, the application located at http://www.maine.gov/dhhs/mecdc/environmental-health/el/forms.htm#tobacco must be completed. There are several licensing levels, all of which expire on March 31 annually. The schedule of fees for each license is located at http://www.maine.gov/dhhs/mecdc/environmental-health/el/site-files/forms/Retail_Tobacco_Application.pdf

Retailer license contact information: State of Maine, Department of Health and Human Services, Health Inspection Program, 11 State House Station, Augusta, ME 04333-0011

Do licenses need to be renewed and if so, how frequently?
Maine Revenue licenses expire annually, and need to be renewed by July 1.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

The $2.00 stamp is purple; the $2.50 stamp is green. Both have the roll number listed on the stamp itself. They are heat affixed.

Section 2 – Acquiring Stamps

Cigarette stamps are requested through an order process. The order form is located at www.maine.gov/revenue. The distributor completes the form, and sends to Maine Revenue Services via fax. Once the order has been reviewed, and approved the order is filled.

How are stamps delivered to the wholesaler/distributor?
The distributor must have a FedEx account if they wish the stamps to be shipped. In state distributors may come to Maine Revenue Services to pick up their order.

Section 3 - Bond Requirements

Distributors are not required to have a bond, but may postpone payment for stamps for up to 30 days if bonded for at least 50% of the price of the stamps.
Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes, from one licensed distributor to another.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes. The Cigarette refund request form must be completed and remitted as well as the stamps that were misapplied.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
The serial number on the stamp must be legible.

Section 6 – Refund Limitations

A complete roll of stamps may be returned within 1 year of the purchase date. A partial roll may only be returned if the distributor is going out of business. They will get credit for the legible number of stamps remaining on the roll. A refund for stamps that have been destroyed by fire or unavoidable calamity must be requested within 10 days of the loss.

Section 7 – Credit Process for Manufacturer Returns

The taxpayer has to complete a cigarette distributor’s refund request form which is located at http://www.maine.gov/revenue/othertaxes/cigarette/cigarette.htm. The completed form must be returned with the manufacturer’s affidavit of destruction within 90 days of the return date on the affidavit.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

This is currently handled through the audit process only.
Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

PACT Act reports are filed via paper or email depending on the taxpayer. They are filed when the tax returns are filed.
STATE OF MARYLAND

General Information

Section 1 - Contact Information

Agency: Field Enforcement Division

Mailing Address: 80 N. Calvert Street

City, State, Zip Code: Annapolis, MD 21404

Phone Number: (410) 260-7388

Website: http://www.comp.state.md.us/

Section 2 - Statutes, Regulations and Rules


Cigarette Statutes: §16 of the Business Regulations Section of the Maryland Annotated Code https://www.lexisnexis.com/hottopics/mdcode/

Tobacco tax regulations: http://www.dsd.state.md.us/COMAR/SubtitleSearch.aspx?search=03.02.02.*

Maryland Cigarette Sales Below Cost: http://www.dsd.state.md.us/COMAR/SubtitleSearch.aspx?search=03.02.03.*

Maryland Fire Safe Cigarette Regulations: http://www.dsd.state.md.us/COMAR/SubtitleSearch.aspx?search=03.02.06.*

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

According to §16.5-101(I)(1) and (2) states that “Other Tobacco Products” means (1)any cigar or roll for smoking, other than a cigarette, made in whole or in part of tobacco; or (2) any tobacco or product made primarily from tobacco, other than a cigarette, that is intended for consumption by smoking or chewing or as snuff.
§16.5-101(p)(1) and (2) states that “Premium Cigars” means cigars that: (1) have hand-rolled wrappers made from whole tobacco leaves where the filler, binder, and wrapper are made of all tobacco, and may include adhesives or other materials used to maintain size, texture, or flavor; or (2) are designated as premium cigars by the Comptroller by regulation.

§12-101(b) of the Tobacco Tax Section of the Tax General Article of the Maryland Annotated Code states that a “cigarette” means any size or shaped roll for smoking that is made of tobacco or tobacco mixed with another ingredient and wrapped in paper or in any other material except tobacco.

§12-101(g) states that “Tax Stamp” means a device in the design and denomination that the Comptroller authorizes by regulation for the purpose of being affixed to a package of cigarettes as evidence that the tobacco tax is paid.

**Section 4 - The Basis for the Tax**

See below response received from state.

**Section 5 - Tax Rates and Miscellaneous Fees**

§12-105 of the Tax General Article of the Maryland Annotated Code states that for Cigarettes (1) $1.00 for each package of 10 or fewer cigarettes; (2) $2.00 for each package of at least 11 and not more than 20 cigarettes; (3) 10.0 cents for each cigarette in a package of more than 20 cigarettes; and (4) 10.0 cents for each cigarette in a package of free sample cigarettes.

§12-105(b) of the Tax General Article of the Maryland Annotated Code states that the tobacco tax rate for other tobacco products is 30% of the whole sale price of the tobacco products. Premium cigars are taxed at 15% of the wholesale price while regular cigars are taxed at 70% of the wholesale price.

**OTP-Other Tobacco Products**

“Pipe tobacco” means any tobacco that, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco to smoke in a pipe.

“Premium cigars” means cigars that have hand-rolled wrappers made from whole tobacco leaves where the filler, binder, and wrapper are made of all tobacco, and may include adhesives or other materials used to maintain size, texture, or flavor and includes no tips, filters or nontobacco mouthpieces.
Section 6 - Rate Updates

No rate updates.

Section 7 - State Collection Allowance or Discount

A discount is given to wholesalers/distributors for collecting and remitting taxes. The discount is 0.82% for each tax type.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarette tax imposed upon the cigarette stamp purchase from the Comptroller. OTP tax is imposed when a wholesaler purchases from a manufacturer, and when a retailer purchases untaxed OTP products from a Manufacturer or Wholesaler.

Section 10 - Tax Return Due Dates

For cigarette wholesalers, they must file their returns on or before the 21st day of the month in which the wholesaler has the first possession, in the State, of unstamped cigarettes for which tax stamps are required.

For cigarette manufacturers must complete and file their return on or before the 15th day of the month that follows the month in which the manufacturer distributes in the State free sample cigarettes of the manufacturer.

Section 11 – Tax Return Filings

If the due date falls on a holiday the return is due the next business day. A tax return is considered timely if the return is postmarked on the due date. The received date is used if no post mark date is provided. The return is considered on time when the received date reflects no more than one day after the due date.

OTP - No option for electronic filing. Taxpayer prints form and mails to office.
Cigarettes - No option for electronic filing.
Section 12 – Tax Collection

OTP-A taxpayer must make and OTP payment electronically when they are submitting a payment of $10,000 or more. When a payment is submitted electronically we must have extracted the payment from the taxpayers account no later than one day after the due date.

Cigarette-Any tax payment over $10,000 is supposed to be made electronically by the 21st, following the report month. There is no time that the payment must be made on that day.

Section 13 - Penalties for Late Filing

OTP-When a return is filed late a 25% penalty and 1.08% interest is assessed.

Cigarettes- Interest of 1.08% is imposed. Taxpayers may be granted one abatement per calendar year.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

None noted.

Section 17 - Laws or Rules for Tribal Sales

There are no tribal sales in Maryland or any Native American Reservations in this state.

Section 18 - Information Required on a Customer Invoice

Cigarette-Wholesaler name, license number, address, email address, phone number, period, stamps affixed to Maryland packs and non-Maryland packs, physical inventory at the beginning and end of month, any credits from auditors, corresponding schedules, packs sold to each county in Maryland and a signature of the owner.
Section 19 – Responsibility by Agency

MSA Reporting: Collected by Comptroller of Maryland, Revenue Administration Division and sent to Maryland Attorney Generals Office
Enforcement/Collection: Comptroller of Maryland, Field Enforcement Division
Product Seizure Authority: Comptroller of Maryland, Field Enforcement Division

Section 20 – New or Pending Legislation

None noted.

License Information

Form 637 is the application for Cigarette and OTP licenses. It can be found here: http://forms.marylandtaxes.com/tobacco_forms/637.pdf

For Cigarette Licenses: A wholesaler license fee is $750, a sub wholesaler is $500, a vending machine operator license is $500, a manufacturer license is $25, and a storage warehouse license is $25.

For OTP Licenses: A wholesaler license fee is $250, a licensed OTP manufacturer is $25, and an OTP storage warehouse license fee is $25.

The Comptroller’s Field Enforcement Division’s Regulatory and Licensing Section handles request for licenses and can answer any questions applicant’s may have. They can be reached at (410) 260-7532.

Retail cigarette licenses pay a $25 plus $30 for special cigarette license and OTP license is free with retail cigarette licenses. Retail OTP license without retail cigarette license is $15. Certain counties may vary with retail cigarette, special cigarette and OTP license pricing. Please contact the Comptroller’s Field Enforcement Division’s, State License Bureau for details at 410-260-6240.

Do licenses need to be renewed and if so, how frequently?
Yearly, expire at midnight on April 30th.
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Machine applied stamps and hand applied stamps are available-Green/White/Black, hologram, sequentially numbered (1, 5 digit number per roll/set handstamp sheets), micro script, verification taggant.

Section 2 – Acquiring Stamps

In accordance with §12-303 of the Tax General Article of the Maryland Annotated Code a licensed wholesaler may buy tax stamps, in the manner and at the time that the Comptroller requires by regulation. Furthermore, tax stamps may not be bought from a person other than the Comptroller unless the buyer has written permission from the Comptroller or is acting in accordance with the regulations of the Comptroller for stamping floor stock.

How are stamps delivered to the wholesaler/distributor?
Stamps are picked-up from the Comptroller’s office by authorized personnel or mailed via FedEx or UPS using their account number.

Section 3 - Bond Requirements

Tobacco wholesalers are required to hold a bond at a minimum of $10,000.00. If they charge stamps they need to hold a bond of at least $64,000.00 and can only use up to 95% of that bond.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
§12-304 (d)(2) of the Tax General Article of the Maryland Annotated Code states that a licensed wholesaler who possesses unstamped cigarettes has the burden of proving that the cigarettes are not possessed in violation of this title.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

In accordance with Section13-901, Tax General Article of the Annotated code of Maryland,
(h) A claim for refund of tobacco tax may be filed by a claimant who buys tobacco tax stamps that:

1. Are affixed erroneously to anything other than a package of cigarettes;
2. Are affixed to a package of unsalable cigarettes;
3. Are canceled by the Comptroller;
4. if the claim is $250 or more, are lost or destroyed in the State due to fire, flood, or other disaster, vandalism, or malicious mischief, except loss due to theft; or
5. Mutilated or damaged, whether or not affixed to a package of cigarettes.

**Does the state allow a tax credit?**
Yes.

**Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?**
No response received from state.

### Section 6 – Refund Limitations

Claims must be submitted within 1 year of the date of loss, destruction, return to manufacturer, or other condition necessitating the claim.

### Section 7 – Credit Process for Manufacturer Returns

In accordance with Section 13-901, Tax General Article of the Annotated code of Maryland, refunds in the form of credit for Cigarette Excise Tax Stamps will be given only for the following reasons:

A. Stamps that are mutilated or damaged, whether or not affixed to a container of cigarettes. In this case, the stamps must be physically returned with Form COM/ATT-603 or witnessed by an authorized representative of the FED Regulatory and Licensing Section (attach copy of auditor’s receipt).

B. Stamped cigarettes that are unsalable and returned to the manufacturer. In this case, the following must also be submitted:
   1. Freight ticket showing date and number of cigarettes returned.
   2. Manufacturer’s packing slip signed by the manufacturer’s representative and listing the number of cigarettes to be returned by taxing jurisdiction (including unstamped).
   3. Wholesaler’s Affidavit Form COM/ATT-601 listing the amount of cigarettes being returned (stamped and unstamped). The affidavit must match the corresponding freight ticket.
   4. Manufacturer’s affidavit (forms supplied by manufacturer) listing the number of Maryland stamped packs received from the licensee.
NOTE: Items 1 through 3 must be submitted to our office within one year of the date shipped from the licensee’s location. Item 4 should be submitted to our office within one year of the date received at the manufacturer’s location.
It is recommended that all items (1 through 4) be submitted simultaneously.

C. Stamps on carton flaps. Flaps with stamps on them must be returned with Form COM/ATT-603.

D. Multiple stamps cancelled by a representative of the Comptroller’s Office. Attach a copy of representative’s receipt.

E. The licensee’s discontinuing the affixing of stamps. In the case of the discontinuance of business, a cash refund will be made. In all other instances, a credit will be issued.
General Information, Submit Form COM/ATT-603, in triplicate, to the FED Regulatory & Licensing Section, Louis L. Goldstein Treasury Building, P.O. Box 2999, Annapolis, Maryland 21404-2999. Submit only one of all other required documents.
Claims must be submitted within 1 year of the date of loss, destruction, return to manufacturer, or other condition necessitating the claim.
With regard to item “B” above, failure to submit documents within the time frame stated could result in denial of credit. If your claim is denied, however, such information would be considered in an audit of your firm.
As a result of your claim, a credit will be issued on an approved FED credit form. The original of this credit may only be applied to a future tax stamp order with the FED Licensing & Regulatory Section. Credits should be used within 6 months of their issuance.
The law also provides for a credit for lost or destroyed stamps in the State because of fire, flood, other disaster, vandalism or malicious mischief except loss due to theft. Should such a loss be incurred, contact the FED Regulatory & Licensing Section for instructions.
Questions pertaining to the proper completion of this form or those related to claims in general should be directed to the FED Regulatory & Licensing Section at 410-260-7382.

Section 8 – Other Allowed Credits
None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory
None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements
None noted.
Pact Act Reporting

PACT Act reporting is usually sent to the Revenue Administration Division via regular mail and email.
STATE OF MASSACHUSETTS

General Information

Section 1 - Contact Information

Contact Name: Evan J. Garcia
Agency: Department of Revenue
Mailing Address: 200 Arlington Street
City, State, Zip Code: Chelsea, MA 02150
Phone Number: (617) 887-6515
Fax Number: (617) 660-9900
E-mail Address: Garcia@dor.state.ma.us
Website: www.mass.gov/dor

Contact Name: Daniel A. Less, Supervising Attorney to Tobacco Enforcement
Agency: Attorney General Office
Mailing Address: One Cambridge Street, 11th Floor
City, State, Zip Code: Boston, MA 02108
Phone Number: (617) 963-2452
E-mail Address: Daniel.Less@MassMail.State.MA.US
Website: www.mass.gov/ago
Section 2 - Statutes, Regulations and Rules

Www.mass.gov/dor TIR Cigarettes; Directive Cigarettes; APA 114.1 Cigarette Excise: GL c.64c; AP 114.2 Procedures for the Issuance Renewal, and Revocation of Cigarette Licenses and for the Appointment of Cigarette Stampers. www.mass.gov/bills and Laws Chapter 62C and Chapter 64C.

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

See Section Four.

Section 4 - The Basis for the Tax

Cigarettes taxed at $3.51 and 6.25% sales tax. Any roll of tobacco wrapped in paper or in any substance containing tobacco. Little cigars, which shall mean rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco as to which 1,000 units weigh not more than 3 pounds. Cigar tax rate is 40% and 6.25 % sales tax, is any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco. Smoking tobacco is roll-your-own (RYO) tobacco and pipe tobacco and other kinds of tobacco suitable for smoking.

Section 5 - Tax Rates and Miscellaneous Fees

Smokeless tax rate of 210%, Cigar Distributor tax rate of 40%

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Wholesalers/stampers are given a compensation for their stamp purchases. $12 per roll of 1,200 encrypted stamps. $600 per roll of 30,000 encrypted stamps for the first 50 rolls purchased and $200 per each additional roll of 30,000 encrypted stamps purchased.

Section 8 - Any Other Permissible Allowances

The Commissioner shall redeem any unused or mutilated but identifiable stamps that any stamper may present for redemption; provided that they were originally lawfully purchased by the stamper who presents them for redemption.
Section 9 – The Point at Which Tax is imposed

At the time the stamp is applied.

Section 10 - Tax Return Due Dates

CT-1 and CTS-1NR monthly return due on the 20th of the following month.

Cigar 2 quarterly return, due on the 20th of the month.

Section 11 – Tax Return Filings

Taxpayers are mandated to file electronically on DOR’s Masstax connect system.

When it falls on the weekend or holiday it would be due on the next business day.

Section 12 – Tax Collection

Filing and payments are made on the Departments Computerized system Masstax connect. Payments can be made by routing number of a checking account and by way of EFT debit or Credit. Account is considered timely as long as it is paid by Midnight of the due date.

Section 13 - Penalties for Late Filing

No response received from state.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

None noted.
Section 16 – Qualifying Exemptions

None noted.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

The name and address of the wholesaler.

Section 19 – Responsibility by Agency

MSA Reporting: Office of the Attorney General
Enforcement/Collection: Massachusetts Department of Revenue
Product Seizure Authority: Massachusetts Department of Revenue and Massachusetts State Police, Tobacco Enforcement.

Section 20 – New or Pending Legislation

None noted.

License Information

CTL Application for All Cigarette Licenses except Retailers license Annual Licensing for Manufacturer $250.00; Manufacture branch $125.00; stamper no fee; Transportation company $50.00; Unclassified acquirer $250.00; vending machine Operator $150.00; vending machine operator branch $75.00; Vending machine license $50.00 for each machine must be renewed every even-numbered years; wholesaler $250.00; wholesaler branch $125.00.

Cigarette Retailer license $50.00 biannually; Cigar Retailer license no fee biannually.

Cigar Distributor Annually no fee.

Contact for licensing information: Cigarette and Tobacco Unit 617-887-5900.
Do licenses need to be renewed and if so, how frequently?
Yes Cigarette and Cigar Retailer Licenses renewed semiannually October 1 – September 30th even years. Cigar Distributors annually October 1st – September 30th. Manufacturers including Stampers/Wholesalers, Unclassified Acquirers and Vending Machine operators annually July 1 – June 30th.

**Cigarette and Tax Stamp Information**

*Section 1 – Tax Stamp Attributes*

Massachusetts has an encrypted stamp program. The color for Package of 20 is Orange tax rate is 3.51 per pack. Color for Package of 25 is Pink tax rate is 4.3875. Stamps are applied by high volume and low volume machines by licensed stamper/wholesaler.

*Section 2 – Acquiring Stamps*

Stamps orders are placed on SICPA’s DMS system. SICPA is the vendor for the Department of Revenue’s stamp program. All approved orders are filled by Meyercord in Illinois.

**How are stamps delivered to the wholesaler/distributor?**

Orders are FedEx by standard 2 days or expedite overnight at an additional charge. Wholesalers/stampers do not have a FedEx account on file with DOR.

*Section 3 - Bond Requirements*

Having a bond is not required by DOR. Those wholesalers not having a bond must pay for their stamps in full when making a stamp order.

*Section 4 – Allowable Transfers*

**Does the state allow the transfer of unaffixed cigarette tax stamps?**

No stamper shall not sell, borrow, loan or exchange stamps except as getting authorization from the Commissioner of Revenue or his/her designated appointee.

**Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?**

Transfer of unstamped cigarettes between wholesalers is only allowed by written permission to the Commissioner of Revenue or his/her designated appointee.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
None noted.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

The wholesaler returning the stamped cigarettes to a manufacturer would obtain an affidavit from the manufacturer and would submit this with the Massachusetts Form ABT Application for Abatement for a refund for these stamps.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Stamps must be applied within 72 hours of delivery.
Pact Act Reporting

Any person who sells, transfers, or ships for profit cigarettes or smokeless tobacco in interstate commerce into Massachusetts must submit Form CT-MM Monthly Memorandum for PACT Act Registrants along with Form CT-MM T Massachusetts State Tobacco Report or and Form CT-MM C Massachusetts State Cigarette Report. These reports are emailed to the Cigarette and Tobacco Unit on a monthly basis.
STATE OF MICHIGAN

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates
Section 11 – Tax Return Filings

Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF MINNESOTA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Update

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirement

Pact Act Reporting
STATE OF MISSISSIPPI

General Information

Section 1 - Contact Information

Agency: Mississippi Department of Revenue
Mailing Address: Post Office Box 1033
City, State, Zip Code: Jackson, MS 39225
Phone Number: (601) 923-7015
Fax Number: (601) 923-7034
Website: www.dor.ms.gov

Section 2 - Statutes, Regulations and Rules

Statutes – Mississippi Code Annotated 27-69-1
Link to Web Site - http://www.dor.ms.gov/Pages/Tobacco.aspx

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes - a thin cylinder of finely cut tobacco rolled in paper for smoking.
OTP (smokeless tobacco, snuff, cigars, roll your own) - defined as anything containing tobacco other than cigarettes.

Section 4 - The Basis for the Tax

Cigarettes – taxed at $.68 per pack on 20-packs, and $.85 per pack on 25-packs.

Section 5 - Tax Rates and Miscellaneous Fees

15% of Manufacturer’s list price on OTP.
Section 6 - Rate Updates

NSM Fees increase every July.

Section 7 - State Collection Allowance or Discount

If wholesalers pay for Cigarette orders within 30 days, they receive a 4.65% discount.

Section 8 - Any Other Permissible Allowances

There is no allowance for bad debt credits, or theft.

Section 9 – The Point at Which Tax is imposed

Tax on cigarettes is imposed at the time of stamp sale. OTP tax is due the month the product is brought into the state, and is reported the following month.

Section 10 - Tax Return Due Dates

Returns are due on 15th of the month. If the date falls on a holiday or weekend, it will be due the next business day.

Section 11 – Tax Return Filings

All returns are filed electronically through our tax system called TAP (Taxpayer Access Portal). Taxpayers are required to set up an account, add access to the Tobacco tax type, and file the returns monthly.

Section 12 – Tax Collection

Taxpayers must file returns electronically. They have the option to pay electronically or send the payment through the mail. The electronic payments must be submitted prior to the close of business. Manual payments must be postmarked by the due date.

Section 13 - Penalties for Late Filing

There is a 50% penalty for late filing. Interest starts to accumulate at the legal rate per month after one month of no payment.
Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

Sales directly to Military Commissaries, Federal Government, Products intended for export from the United States, Midstream sales to ship vessels. Donated products to institutions for inmate use.

Section 17 - Laws or Rules for Tribal Sales

Sales to the tribes are exempt, but sales to individual Indians are taxable.

Section 18 - Information Required on a Customer Invoice

Date, Wholesaler’s name, Customer’s name, billing address, shipping address, selling price and excise tax charged.

Section 19 – Responsibility by Agency

MSA Reporting: Mississippi is non-MSA.
Enforcement/Collection: Mississippi Department or Revenue
Product Seizure Authority: Mississippi Department of Revenue and Attorney’s General Office

Section 20 – New or Pending Legislation

There is no pending legislation.

License Information

Do licenses need to be renewed and if so, how frequently?
Mississippi has two licenses:
Wholesaler’s licenses - manufacturer, wholesaler, dealer and distributor. These are renewable on an annual basis. January 31st is common expiration date. Retailer’s license – covers cigarettes and OTP. This license does not expire.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

The current stamp is blue and pink with two serial numbers. They can be applied with a stamping machine, or hand-attached with a heating iron.

Section 2 – Acquiring Stamps

They are ordered from Mississippi Department of Revenue.

How are stamps delivered to the wholesaler/distributor?
Cigarette stamps are shipped directly from Meyer cord to the distributor. The distributor must have the FedEx or UPS account on file with Meyercord.

Section 3 - Bond Requirements

Bond Requirements are optional, but bonded wholesalers have longer to pay for the stamps they order.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
From the Manufacturer to the Wholesale Distributor.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes. As long as they are stamped before they reach the retailers.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes, credit is given if the stamps are returned to the Mississippi Department or Revenue.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
We will give credit if 25% of the stamp is present.

**Section 6 – Refund Limitations**

Within 36 months of original purchase.

**Section 7 – Credit Process for Manufacturer Returns**

The most common way is through Manufacturer Affidavit Statements. However, stamps can be sent back to Mississippi Department of Revenue with a cover letter explain the reason for the credit request.

**Section 8 – Other Allowed Credits**

Credits are allows through Manufacturer Affidavits on OTP.

**Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory**

There is no current process for reporting discrepancies.

**Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements**

None noted.

**Pact Act Reporting**

Distributors not licensed in Mississippi are required to send a report; the most common medium is through e-mail.
STATE OF MISSOURI

General Information

Section 1 - Contact Information

Cigarette Tax

Agency: Missouri Department of Revenue

Mailing Address: P.O. Box 811

City, State, Zip Code: Jefferson City, MO 65105

Phone Number: (573) 751-7163

Fax Number: (573) 522-1720

E-mail Address: excise@dor.mo.gov

Website: http://dor.mo.gov/

OTP Tax

Agency: Missouri Department of Revenue

Mailing Address: P.O. Box 3320

City, State, Zip Code: Jefferson City, MO 65105

Phone Number: (573) 751-5772

Fax Number: (573) 522-1720

E-mail Address: excise@dor.mo.gov

Website: http://dor.mo.gov/

Contact Person: Emily Ottenson

Agency: Attorney General Office
Section 2 - Statutes, Regulations and Rules

Missouri tobacco tax statutes, Chapter 149 RSMo:  
http://www.moga.mo.gov/mostatutes/ChaptersIndex/chaptIndex149.html; Missouri tobacco tax regulations, Title 12, Division 10, Chapter 16:  
http://www.sos.mo.gov/cmsimages/adrules/csr/current/12csr/12c10-16.pdf;  
Missouri tobacco tax website:  
http://dor.mo.gov/business/tobacco/

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

As defined in Chapter 149.011 RSMo:  "Cigar", any roll for smoking, except cigarettes, made chiefly of tobacco or any substitute therefor;

"Cigarette", an item manufactured of tobacco or any substitute therefor, wrapped in paper or any substitute therefor, weighing not to exceed three pounds per one thousand cigarettes and which is commonly classified, labeled or advertised as a cigarette;

"Smokeless tobacco", chewing tobacco, including, but not limited to, twist, moist plug, loose leaf and firm plug, and all types of snuff, including, but not limited to, moist and dry;

(16) "Tobacco product", cigarettes, cigarette papers, clove cigarettes, cigars, smokeless tobacco, smoking tobacco, or other form of tobacco products or products made with tobacco substitute containing nicotine.

Section 4 - The Basis for the Tax

Cigarettes - As referenced in Chapter 149.015.1 RSMo: A tax shall be levied upon the sale of cigarettes at an amount equal to eight and one-half mills per cigarette.
OTP - As referenced in Chapter 149.160.1 RSMo: A tax is levied upon the first sale of tobacco products, other than cigarettes, within the state. The tax on tobacco products shall be at the rate of ten percent of the manufacturer's invoice price before discounts and deals, and shall be paid by the person making the first sale within the state.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes - As referenced in Chapter 149.015.1 RSMo: $.17 per pack; As referenced in Chapter 66.340 RSMo: An additional $.05 per pack for cigarettes sold in St. Louis County; as referenced in Chapter 210.320 RSMo: An additional $.05 per pack for cigarettes sold in Jackson County

OTP - As referenced in Chapter 149.160.1 RSMo: ten percent of the manufacturer’s invoice price before discounts and deals.

Section 6 - Rate Updates

None noted.

Section 7 – State Collection Allowance or Discount

Cigarettes - As referenced in Chapter 149.021.1 RSMo: Each wholesaler purchasing stamps from the director as required by law may purchase the stamps from the director at a reduction of three percent of the face value of each lot of stamps so purchased.

OTP – As referenced in Chapter 149.170.1 RSMo: The person required to remit shall be entitled to deduct and retain an amount equal to two percent.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarette - As referenced in Chapter 149.015.2 RSMo: When the stamp is applied.

OTP - As referenced in Chapter 149.160.1 RSMo: First sale of the product within the state.
Section 10 - Tax Return Due Dates

Cigarette - As referenced in Chapter 149.041.2 RSMo: Due Date is the 20th of each month.

OTP - As referenced in Chapter 149.170.1 RSMo: Due Date is the 15th of the month.

When a due date falls on a holiday or weekend, the due date extends to the next business day. Returns are considered timely based on postmark.

Section 11 – Tax Return Filings

Tax returns are filed on paper; there is no option for electronic filing.

Section 12 – Tax Collection

Electronic payments must be submitted by the due date.

Section 13 - Penalties for Late Filing

As referenced in Chapter 149.190.3 RSMo: Any person responsible for the tax imposed in section 149.160 who fails to pay such tax within the time and manner required by law, shall pay, as part of the tax imposed, a penalty equal to twenty-five percent of the tax liability.

Section 14 – Local Jurisdictional Tax

Yes, a list of local jurisdictions can be found on the last page of form Schedule F at: http://dor.mo.gov/forms/Schedule%20F.pdf

Section 15 - Floor Stock Tax

None noted.

Section 16 – Qualifying Exemptions

As referenced in Chapter 149.061.1: All wholesalers are hereby required to affix tax stamps to each package of cigarettes sold to civilian clubs or other social organizations located within the confines of a United States military camp or reservation located in the state, with the exception of post exchanges, commissaries and other instrumentalities of the federal government.
Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

None noted.

Section 19 – Responsibility by Agency

MSA Reporting: Missouri Department of Revenue
Enforcement/Collection: Missouri Department of Revenue
Product Seizure Authority: Missouri Department of Revenue

Section 20 – New or Pending Legislation

None noted.

License Information

A completed application, surety, cash bond, or letter of credit and $100 license fee must be submitted for issuance of cigarette wholesaler, OTP wholesaler and OTP retailer licenses. The registration application form 2175 can be found at: http://dor.mo.gov/forms/index.php?category=14. Registration inquiries and correspondence can be directed to the contact information listed above.

Do licenses need to be renewed and if so, how frequently?
As referenced in Chapter 149.035.1 RSMo: All licenses are renewed annually on or before February fifteenth each year.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Missouri cigarette tax stamps are colored by type and denomination, with an assigned unique roll number. The stamps are heat applied.
Section 2 – Acquiring Stamps

As referenced in Chapter 149.015.2: Missouri cigarette tax stamps are purchased from the Missouri Department of Revenue.

How are stamps delivered to the wholesaler/distributor?
Stamps are delivered by common carrier or picked up in person. Wholesalers purchasing stamps with delivery by common carrier are required to have a carrier account on file.

Section 3 - Bond Requirements

As referenced in Chapter 149.025 RSMo: Any wholesaler desiring to purchase stamps or meter units on a deferred payment basis shall file with the director a bond in an amount equal to the estimated total monthly tax liability of the wholesaler.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Yes, as referenced in Chapter 149.041.2 RSMo: Every wholesaler receiving unstamped cigarettes shall file a report with the director on or before the twentieth day of each month covering the previous calendar month, on forms prescribed and furnished by the director, disclosing the beginning and closing inventory of unstamped cigarettes, the beginning and closing inventory of stamped cigarettes, the beginning and closing inventory of cigarette stamps.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
As referenced in Chapter 149.015.5 RSMo: No tax stamp need be attached to a package of cigarettes transported in the state between wholesalers or distributors unless and until such package is sold to a retailer or consumer.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Cigarettes - As referenced in Chapter 149.031 RSMo: The director shall make a refund or exchange new stamps for any stamps which are damaged, or for stamps which have been affixed to packages of cigarettes returned to factories, sold or shipped into another state for sale or use there or have become unfit for use and consumption or unsalable.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.
Section 6 – Refund Limitations

Claims for credit or refund must be submitted within two years of stamp purchase, pursuant to Chapter 136.035.3 RSMo.

Section 7 – Credit Process for Manufacturer Returns

As referenced in Chapter 140.031 RSMo: Application to the director for the exchange or refund must be accompanied by affidavit, damaged stamps, bill of lading covering shipment to factories or other states, or any other proof as required by the director.

Section 8 – Other Allowed Credits

OTP – As referenced in Chapter 149.160.1 RSMo: Licensed persons making first sales within the state shall be allowed approved credit for returned merchandise provided the tax was paid on the returned merchandise and the purchaser was given a refund or credit. Such licensed person shall take such approved credit on the return for the month in which the purchaser was given the refund or credit.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

Monthly filing of PACT Act reports are submitted via paper or email.
STATE OF MONTANA

General Information

Section 1 - Contact Information

Contact Person: Mark Schoenfeld, Miscellaneous Tax Unit Manager

Agency: Montana Department of Revenue, Business & Income Tax Division
        Miscellaneous Tax Unit

Mailing Address: PO Box 5805

Physical Address: 125 N Robert St., 3rd Floor

City, State, Zip Code: Helena, MT 59604-5805

Phone Number: (406) 444-1940

Fax Number: (406) 444-7997

E-mail Address: mschoenfeld@mt.gov

Website: http://revenue.mt.gov/home/businesses/tobaccoproducts_taxes

Contact Person: Anne Yates, Assistant Attorney General

Agency: Montana Department of Justice, Office of Consumer Protection
        Tobacco Settlement Program

Mailing Address: PO Box 200151

Physical Address: 555 Fuller Avenue

City, State, Zip Code: Helena, MT 59620-0151

Phone Number: (406) 444-0089

Fax Number: (406) 442-1894

E-mail Address: anneyates@mt.gov

Website: https://dojmt.gov/consumer/tobacco-sales-and-directory-tobacco-settlement/
Section 2 - Statutes, Regulations and Rules


Regulations, Administrative Rules of Montana (ARM):

Revenue http://mtrules.org/gateway/Department.asp?DeptNo=42

Justice http://mtrules.org/gateway/Department.asp?DeptNo=23

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette (Little Cigars) – Any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

Any roll of tobacco wrapped in paper or in any substance not containing tobacco, or

Any tobacco, because of its appearance is likely to be offered to or purchased by consumers as a cigarette

Moist Snuff – fine cut, ground, or powdered tobacco, other than dry snuff, that is intended to be placed in the oral cavity.

Other Tobacco Products – all other products containing tobacco that are intended for human consumption or use but has not determined to be a cigarette or moist snuff.

Vape Products – Noncombustible product that may contain nicotine and that uses a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, to produce vapor from a solution or other substance.

Section 4 - The Basis for the Tax

Cigarette Tax = $1.70 per pack of 20 sticks or $0.085 per stick of cigarettes.

Moist Snuff Tax = $0.85 per ounce of packaged moist snuff.

Other Tobacco Products Tax = 50% of the manufacturer’s list price.
Section 5 - Tax Rates and Miscellaneous Fees

Cigarette Tax = $1.70 per pack of 20 sticks or $0.085 per stick of cigarettes.

Moist Snuff Tax = $0.85 per ounce of packaged moist snuff.

Other Tobacco Products Tax = 50% of the manufacturer’s list price.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

There are discounts provided for wholesalers’ tax payments

Cigarette tax discount are provided with the tax insignia purchase. 0.90% discount on the first 25,800 stamps purchased, 0.60% discount on the next 25,800 stamps and 0.45% discount for all stamps ordered after the purchase of the first 51,600 stamps. The discount rates are given monthly.

The tobacco tax discount for timely tax payment for moist snuff and other tobacco product is 1.5%.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

The Cigarettes, Moist Snuff and Other Tobacco Products taxes are pre-collected and paid by licensed wholesalers.

Section 10 - Tax Return Due Dates

All tobacco taxes are monthly tax returns. Their due dates are all the same, 15 days after the end of the month.
Section 11 – Tax Return Filings

Montana offers both paper filing and electronic filing. We’ve encouraged all of our wholesalers to file their returns online.

Section 12 – Tax Collection

Cigarette tax is collected through the sales of tax insignia. All stamps purchases must be paid with their orders. 30 days credit line is allowed once a wholesaler has over 12 months history with the state and the wholesaler must submit a bond equal to their largest order within the last 12 months.

Other tobacco product and moist snuff taxes are paid with their monthly tax return. Checks, credit cards, wire transfer and ACH transaction are accepted by our department.

Section 13 - Penalties for Late Filing

There is a late file penalty and a late pay penalty.

Late filing penalty is the greater of $50 or 5% of the tax due.

Late paid or underpaid penalty is 20% on the unpaid tax.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

Cigarettes & tobacco sales within Native American Reservation are not regulated by the state of Montana. Cigarettes and tobacco sold on Native American Reservation are pre-paid by our licensed wholesalers. The tax collected is paid back to the leadership of the reservation.
Section 17 - Laws or Rules for Tribal Sales

Cigarettes & tobacco sales within Native American Reservation are not regulated by the state of Montana. Cigarettes and tobacco sold on Native American Reservation are pre-paid by our licensed wholesalers. The tax collected is paid back to the leadership of the reservation.

Section 18 - Information Required on a Customer Invoice

Invoices provided by Montana licensed wholesalers to their retail customers must contain the following on their invoices:
“Tobacco tax are collected and paid to the State of Montana”

Section 19 – Responsibility by Agency

MSA Reporting: Montana Department of Justice
               Office of Consumers Protection Division
               Tobacco Settlement Program

Enforcement/Collection: Montana Department of Revenue
                        Business and Income Tax Division
                        Miscellaneous Tax Unit

Product Seizure Authority: Montana Department of Justice

Section 20 – New or Pending Legislation

None noted.

License Information

Montana licensing information can be found here
http://revenue.mt.gov/home/businesses/estop_licensing

Montana has five tobacco license types;

Wholesaler – (fee = $50 annually) for tobacco sales to licensed retail businesses & permitted to stamp tax insignia to packs of cigarette.

Sub jobber – (fee = $50 annually) for tobacco sales to licensed retail businesses.

Vendor – (fee = $50 annually) for businesses that own and operate 10 or more cigarette vending machines.
Retailer (v) – (fee = $5 annually) for retail businesses that own and operate 1-9 vending machines at their place of business.

Retailer – (fee = $5 annually) for tobacco retail sale to the consumers.

Vape Retailer – (fee = $5 annually) for retail businesses selling vaping products
** Not tobacco related.

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

Montana tax insignia are wax based stamps. It is applied by heat transfer. Stamps are individually identifiable with a unique ID number. The color of the stamp is changed randomly for security purposes. The stamps and paper include several security features.

**Section 2 – Acquiring Stamps**

Montana licensed wholesalers are allowed to buy stamps from the Department. A new wholesaler must include payment with their stamp order for the first 12 months. Wholesalers can chose to continue this ordering process or apply for 30 day credit. To obtain the 30 days credit, the wholesaler must obtain a bond equal to their largest stamp order within the past 12 months. The value of the bond is reviewed annually.

**Section 3 - Bond Requirements**

To obtain the 30 days credit, the wholesaler must obtain a bond equal to their largest stamp order within the past 12 months. The value of the bond is reviewed annually for any increased order within the past 12 months.

**Section 4 – Allowable Transfers**

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
No.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Montana state law has no rules or regulations governing the appearance of the tax insignia.

Section 6 – Refund Limitations

There is no limit in Montana.

Section 7 – Credit Process for Manufacturer Returns

Claims for stamped cigarettes returned to the manufacturer are filed on the Montana cigarette tax form CT-203. For credit approval, an affidavit of cigarette destruction must be provided by the manufacturer with the return.

Section 8 – Other Allowed Credits

Other tobacco and moist snuff tax credits can be claimed within the monthly OTP tax filing (TP-101). Affidavits of destruction are not required; copies of the return credit invoices are required.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Our monthly cigarette reconciliation reporting form was created to compare the cigarette sales to the number of stamps used. The monthly report allows the wholesaler to see their loss or errors. Discrepancies are identified during audit and assessment of sales without tax stamps.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.
Pact Act Reporting

Montana does not have any specific regulations or rules regulating the reporting of the PACT Act.
STATE OF NEBRASKA

General Information

Section 1 - Contact Information

Contact Name: Kara Parga, Revenue Tax Specialist Senior
Agency: Nebraska Department of Revenue
Mailing Address: PO Box 94818
301 Centennial Mall South
City, State, Zip Code: Lincoln, Nebraska 68509
Phone Number: (402) 471-5781
Fax Number: (402) 471-5767
E-mail Address: kara.parga@nebraska.gov
Website: www.revenue.nebraska.gov

Contact Name: Daniel J. Muelleman, Assistant Attorney General
Agency: Nebraska Attorney General’s Office
Mailing Address: 2115 State Capitol Building
City, State, Zip Code: Lincoln, NE 68509
Phone Number: (402) 471-1921
E-mail Address: daniel.muelleman@nebraska.gov
Website: https://ago.nebraska.gov/
Section 2 - Statutes, Regulations and Rules


Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette means any roll for smoking made wholly or in part of tobacco irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other material excepting tobacco.

Tobacco Products include: cigars; roll-your-own (RYO) tobacco; cheroots; stogies; perique’s; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; Cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco; and other kinds and forms of tobacco, prepared for chewing or smoking in a pipe or otherwise; except snuff and snuff flour.

Snuff is any finely cut, ground, or powdered tobacco that is not intended to be smoked, and includes both “moist snuff” that is intended to be placed in the mouth and “dry snuff” that is intended to be inhaled or sniffed through the nose.

Section 4 - The Basis for the Tax

Tobacco Products are taxed at 20% of the total net invoice amount of tobacco products imported into Nebraska.

Tobacco Products include: cigars; roll-your-own (RYO) tobacco; cheroots; stogies; perique’s; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; Cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco; and other kinds and forms of tobacco, prepared for chewing or smoking in a pipe or otherwise; except snuff and snuff flour.

Snuff is taxed at $.44 per ounce of snuff imported into Nebraska.

Snuff is any finely cut, ground, or powdered tobacco that is not intended to be smoked, and includes both “moist snuff” that is intended to be placed in the mouth and “dry snuff” that is intended to be inhaled or sniffed through the nose.
Section 5 - Tax Rates and Miscellaneous Fees

Current cigarette tax rate $.64/pack of 20 and $.80/pack of 25

Snuff $.44/ounce

Tobacco Products Other Than Snuff 20%

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Cigarette discount on stamp purchase orders is 1.85%.

Tobacco Products Tax collection fee of 2.5% of total tax due up to $75.00.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarette – tax is imposed when the stamp is applied.

Tobacco Products – tax is imposed when the product is brought into the state.

Section 10 - Tax Return Due Dates

Cigarette – a return is considered filed in a timely manner if uploaded by the fifteenth day of the month following the tax period, or the following business day if the due date lands on a holiday or weekend.

Tobacco Products – a return is considered filed in a timely manner if postmarked on or before the tenth day of the month following the tax period, or the following business day if the due date lands on a holiday or weekend.
Section 11 – Tax Return Filings

Cigarette – returns are required to be filed electronically in XML format

Tobacco Products – returns are filed in paper.

Section 12 – Tax Collection

Cigarette – stamps are purchased through sending in paper forms. Payment can be made through check or electronic payment. Any additional tax payment due with a monthly return is required to be submitted electronically.

Tobacco Tax – a check payment can accompany the paper return or an electronic payment.

Section 13 - Penalties for Late Filing

Tobacco Products – if the return is not filed by the due date, a penalty will be assessed in the amount of 25% of the tax due.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

(a) Cigarette sales on a federal installation in a transaction that is exempt from state taxation under federal law.

(b) Cigarette sales on an Indian tribe's Indian country to its tribal members where state taxation is precluded by federal law.

Section 17 - Laws or Rules for Tribal Sales

Any retailer located on an Indian reservation in Nebraska who sells cigarettes or tobacco products to a Native American reservation Indian, where title and possession of such items are
taken within the boundaries of a Native American Indian reservation in Nebraska can receive credit for the cigarette and/or tobacco products tax previously paid to the wholesaler. A reservation Indian is a Native American Indian who resides in Nebraska on an Indian reservation.

Section 18 - Information Required on a Customer Invoice

None noted.

Section 19 – Responsibility by Agency

MSA Reporting: Attorney General’s Office
Enforcement/Collection: Nebraska Department of Revenue
Product Seizure Authority: Nebraska Department of Revenue

Section 20 – New or Pending Legislation

None noted.

License Information

Do licenses need to be renewed and if so, how frequently?
Resident Cigarette Wholesale Dealer (resident wholesaler) - Every resident wholesaler’s location in Nebraska that affixes Nebraska cigarette tax stamps to packages of cigarettes for sale in this state must be licensed. A surety bond in the amount of $10,000 must be submitted with the application and the $500 licensing fee. This license is required to be renewed annually.

Nonresident Cigarette Wholesale Dealer (nonresident wholesaler) - Every nonresident wholesaler’s out-of-state location that affixes Nebraska cigarette tax stamps to packages of cigarettes for sale in this state must be licensed. A surety bond in the amount of $10,000 must be submitted with the application and $500 licensing fee. In addition, an applicant located in a state other than Nebraska must designate an agent for service of process in Nebraska and provide notice that must be submitted with the application. This license is required to be renewed annually.

Directory License - Every resident wholesaler must obtain a Directory License allowing it to purchase or possess in this state cigarettes and roll-your-own tobacco products of a cigarette manufacturer or brand family that is not listed in the Directory. This license is required to be renewed annually.
Cigarette Manufacturer’s Registration - Every cigarette manufacturer selling unstamped cigarettes in or into Nebraska must register with the Nebraska Department of Revenue (Department) as a manufacturer.

Distributor’s Registration. Every distributor selling unstamped cigarettes in or into Nebraska must register with the Department as a distributor.

Tobacco Products License - A tobacco products license must be obtained by the first owner of the tobacco products. The first owner is any person who is: engaged in the business of selling tobacco products in this state who brings or causes tobacco products to be brought into this state for sale in this state; who manufacturers and sells tobacco products in this state; or who is an out-of-state supplier who ships or transports tobacco products to retailers in this state and obtains a license. Tobacco products include those forms of tobacco, other than cigarettes, suitable for chewing or smoking. The $25 licensing fee must be submitted with the application.

Permit to Transport Unstamped Cigarettes. Common carriers transporting unstamped cigarettes from any bonded warehouse to a licensed resident cigarette wholesale dealer in Nebraska must obtain a permit to transport unstamped cigarettes. A surety bond in the amount of $1,000 must be submitted with the application and the permit fee.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Heat applied stamp that contains the roll ID number.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
Stamps are issued by the Department of Revenue.
Stamps can be picked up or shipped registered mail or through FedEx or UPS.

Section 3 - Bond Requirements

A surety bond in the amount of $10,000.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.
Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes unstamped cigarettes can be transferred between other licensed wholesalers.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
With a written request and return of any used stamps credit will be issued.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

Manufacturer’s affidavits should be sent to the Department. Credit will be issued in the form of a voucher that can be used on future purchases of cigarette tax stamps.

Section 8 – Other Allowed Credits

Manufacturer’s affidavits should be sent to the Department. Credit will be issued in the form of a voucher that can be used on future tobacco products tax return.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Cigarette tax is due in any amount for which cigarette subject to tax for each month exceeds the value of stamps used each month.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.
Pact Act Reporting

Cigarette PACT Act is required to be filed electronically in XML format. Tobacco PACT Act can be accepted in any format.
STATE OF NEVADA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is Imposed

Section 10 - Tax Return Due Dates
Section 11 – Tax Return Filings

Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF NEW HAMPSHIRE

General Information

Section 1 - Contact Information

Contact Name: Robert LaBrecque, Field Audit Manager
Agency: New Hampshire Department of Revenue Administration
Mailing Address: 109 Pleasant St.
City, State, Zip Code: Concord, NH 03302
Phone Number: (603) 230-4359
E-mail Address: Robert.LaBrecque@dra.nh.gov
Website: Tobacco@dra.nh.gov

Contact Name: Lisa Qualter, Lead Tobacco Auditor
Agency: New Hampshire Department of Revenue Administration
Mailing Address: 109 Pleasant St.
City, State, Zip Code: Concord, NH 03302
Phone Number: (603) 230-4359
E-mail Address: Lisa.Qualter@dra.nh.gov
Website: Tobacco@dra.nh.gov

Contact Name: Nicole Tilton, Tobacco Auditor
Agency: New Hampshire Department of Revenue Administration
Mailing Address: 109 Pleasant St.
City, State, Zip Code: Concord, NH 03302
Section 2 - Statutes, Regulations and Rules

NH Tobacco Statutes (RSA 78): [http://www.gencourt.state.nh.us/rsa/html/NHTOC/NHTOC-V-78.htm](http://www.gencourt.state.nh.us/rsa/html/NHTOC/NHTOC-V-78.htm)


Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

**Cigarettes** – RSA 78: XVII. (a) In conformity with RSA 541-C:2, IV, "cigarette" means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(1) Any roll of tobacco wrapped in paper or in any substance not containing tobacco; or
(2) Tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or
(3) Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (a)(1).

(b) The term "cigarette" includes "roll-your-own" (i.e., any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes). For purposes of this definition of "cigarette," 0.09 ounces of "roll-your-own" tobacco shall constitute one individual "cigarette."
**Tobacco Products** – RSA 78: XIV. "Tobacco products” mean cigarettes, loose tobacco, smokeless tobacco, and cigars, but shall not include premium cigars.

### Section 4 - The Basis for the Tax

#### Cigarettes

RSA 78:7 Tax Imposed - A tax upon the retail consumer is hereby imposed at the rate of $1.78 for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in which such products usually are sold at retail. The word "package" as used in this section shall not include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

#### Other Tobacco Products (OTP)

RSA 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. – A tax upon the retail consumer is hereby imposed on tobacco products other than cigarettes at a rate of 65.03 percent of the wholesale sales price. The tax under this section may be rounded to the nearest cent if the commissioner determines that the amount of tax would not thereby be made materially disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States. No such tax shall be imposed on premium cigars.

RSA 78:1 III-a. "Wholesale sales price" means the established price for which a manufacturer sells tobacco products other than cigarettes to a wholesaler, exclusive of any discount or other reduction.

### Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes - $1.78 per pack of 20 cigarettes/$2.23 per pack of 25 cigarettes.
Little Cigars (defined as a cigarette) - number sold multiplied by the rate of $.089.
RYO (defined as a cigarette) – Total weight in ounces divided by .09 then multiplied by $.089.
Other Tobacco Products (OTP) – 65.03% of the wholesale sales price.

### Section 6 - Rate Updates

No rate changes are proposed at this time.
Section 7 - State Collection Allowance or Discount

There are no discounts given to wholesalers in NH.

Section 8 - Any Other Permissible Allowances

There are currently no permissible allowances given in NH.

Section 9 – The Point at Which Tax is imposed

Currently, the tax is imposed at the time of sale from a NH licensed wholesaler to either another NH licensed wholesaler, a NH licensed sub-jobber or a NH licensed retailer.

Section 10 - Tax Return Due Dates

All wholesalers shall report their tax liability for the collection of the tax on a monthly basis. A return is due on or before the fifteenth day of the month following the end of the reporting period. U.S Post Office postmark is proof of date filed.

Section 11 – Tax Return Filings

Tobacco returns must be mailed into the department. We currently do not have an e-file option for tobacco returns.

Section 12 – Tax Collection

Tobacco returns do not currently require an electronic payment. The wholesalers can mail in a check with their returns.

Section 13 - Penalties for Late Filing

Failure to Pay Penalty: A penalty equal to 10% of any nonpayment or underpayment of taxes shall be imposed if the taxpayer fails to pay the tax when due. If the failure to pay is due to fraud, the penalty shall be 50% of the amount of the nonpayment or underpayment.

Failure to File Penalty: A taxpayer failing to timely file a complete return may be subject to a penalty equal to 5% of the tax due or $10, whichever is greater, for each month or part thereof.
that the return remains unfiled or incomplete. The total amount of this penalty shall not exceed 25% of the balance of tax due or $50, whichever is greater.

**Section 14 – Local Jurisdictional Tax**

None noted.

**Section 15 - Floor Stock Tax**

Every tax rate change is dependent upon the will of the NH legislature who determines how the change will take affect and any actions the department is required to take in regards to the tax change.

**Section 16 – Qualifying Exemptions**

Premium Cigars are exempt from tax as long as they meet the following definition: RSA 78:1 XXI. "Premium cigars" means cigars which:

(a) Are made entirely by hand of all natural tobacco leaf;
(b) Are hand constructed and hand wrapped;
(c) Weigh more than 3 pounds per 1,000 cigars; and
(d) Are kept in a humidor.

Sales of tobacco products to residents of the Veterans home are exempt from tax in accordance with RSA 78:7-b Exemption. – Notwithstanding the provisions of RSA 78, no state tax shall be imposed on tobacco products sold at the New Hampshire veterans' home to residents of said home; provided, that no such resident shall be permitted to purchase more than 2 such tax exempt cartons of cigarettes in any one week.

**Section 17 - Laws or Rules for Tribal Sales**

NH does not have any tribal sales.

**Section 18 - Information Required on a Customer Invoice**

Statement from the wholesaler that the “NH tobacco tax has been paid.”
Section 19 – Responsibility by Agency

MSA Reporting: NH Department of Justice, Office of the Attorney General
Enforcement/Collection: NH Department of Revenue Administration
Product Seizure Authority: NH Department of Revenue Administration

Section 20 – New or Pending Legislation

NH currently has no pending legislation.

License Information

Do licenses need to be renewed and if so, how frequently?
NH currently licenses manufacturers, wholesalers and sub-jobbers every even year on July 1st.
The same license is obtained for selling both cigarettes and other tobacco products. NH does
not currently tax electronic nicotine delivery systems or premium cigars therefore, neither
require a license to be sold.

The licensing requirements per RSA 78:2 Licenses.-

Each manufacturer, wholesaler, and sub-jobber shall secure a license from the
commissioner before engaging in the business of selling or distributing tobacco products
in this state or continuing to engage in such business. Each wholesale and sub-job outlet
shall have a separate license regardless of the fact that one or more outlets may be owned
or controlled by a single person. The commissioner shall issue a license upon application
stating such information necessary to identify the outlet and the character of business
transacted. The fees for licenses shall be: $100 for a manufacturer's license; $250 for a
wholesaler's license; and $150 for a sub-jobber's license, for the purpose of helping to pay
the cost of administering this chapter. Each license shall be prominently displayed on the
premises described in it. Any person who shall sell, offer for sale or possess with intent to
sell any tobacco products without such license as provided in this section or under RSA
178 shall be subject to the penalty provisions of RSA 21-J:39.

*Every retail location that sells taxable tobacco products in NH must obtain a license through the
NH Liquor Commission.
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

NH has four separate tax stamps:
A Stamp – Used for packs of 25 cigarettes from a participating manufacturer, yellow in color, numerical designation and heat applied.
B Stamp – Used for packs of 20 cigarettes from a participating manufacturer, green in color, numerical designation and heat applied.
C Stamp – Used for packs of 20 cigarettes from a non-participating manufacturer, blue in color, numerical designation and heat applied.
D Stamp – Used for packs of 25 cigarettes from a non-participating manufacturer, yellow in color, numerical designation and heat applied.

Section 2 – Acquiring Stamps

A wholesaler has the option to purchase tax stamps by the following methods:
1. Charging the purchases to the wholesaler’s credit account; or
2. Immediate payment for the total amount of the order by presenting the department with cash, a money order issued through a third party payable to the State of NH, a cashier’s check payable to the State of NH or a certified check payable to the State of NH.

How are stamps delivered to the wholesaler/distributor?
The wholesaler can either pick up the stamps or they will be shipped to them through common carrier.

Must a wholesaler/distributor have a FedEx and/or UPS account on file with DOR?
They must have an account with the common carrier being used.

Section 3 - Bond Requirements

Rev 1005.03 Purchases of Tax Stamps on Credit.

(a) To open a credit account and charge purchases of tax stamps, wholesalers shall submit a written request to:

New Hampshire Department of Revenue Administration
Collections Division
P.O. Box 454
Concord N.H. 03302-0454.
(b) The request shall be accompanied by:

(1) The wholesaler’s most recent financial statement prepared in accordance with generally accepted accounting principles;

(2) The names, addresses and telephone numbers of 3 credit references; and

(3) A completed Form CD-18, “Tobacco Tax Credit Bond”, in accordance with Rev 1009.06.

A wholesaler shall not have an outstanding balance for more than 30 days for charged purchases in an amount not to exceed 75% of the bond amount.

Wholesalers shall be required to pay for a charged order within 30 calendar days of shipment of the tax stamps.

Wholesalers may pay for orders charged to their credit account using a noncertified company check.

**Section 4 – Allowable Transfers**

**Does the state allow the transfer of unaffixed cigarette tax stamps?**
NH does not allow transfer of unaffixed cigarette stamps.

**Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?**
No, a wholesaler/distributor may only purchase unstamped products from a manufacturer.

**Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps**

**Does the state allow a tax credit?**
Yes. Wholesalers are allowed a refund for misapplied cigarette tax stamps.

**Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?**
REV 1002.01 Requirements for Use of Stamps.

(j) A stamp affixed to an individual package shall be deemed to comply with this section only if:

(1) A single stamp is affixed to each package;

(2) The stamp as at least 75% visible; and

(3) The stamp’s numerical designation is legible.
Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

Rev 1005.05 Refunds for Stamps on Outdated, Damaged or Unsaleable Cigarettes for Wholesalers.

(a) Wholesalers shall obtain refunds for tax paid on outdated, damaged or unsaleable returned cigarettes, as provided by RSA 78:10, by completing a Form CD-92, “Notice of Intent to Return Damaged or Obsolete Cigarettes to Manufacturer,” and filing it with the department’s collections division, in accordance with Rev 1009.07, at least 10 business days prior to shipping the cigarettes back to the manufacturer.

(b) Form CD-92, “Notice of Intent to Return Damaged or Obsolete Cigarettes to Manufacturer”, shall be accompanied by copies of all documents used by the wholesaler to return the cigarettes to the manufacturer.

(c) After filing Form CD-92, wholesalers shall file with the department all affidavits from the manufacturer verifying the receipt, the date, and method of destruction of the cigarettes for which the refund is being claimed.

(d) The affidavits in (c) above shall be mailed to:
New Hampshire Department of Revenue Administration
Collections Division
P. O. Box 454
Concord, New Hampshire 03302-0454.

(e) Upon receipt of all required documents, the department shall issue the refunds. The amount of the refund shall be calculated using the tax rate and wholesale price in effect at the time the tobacco product was purchased.

Section 8 – Other Allowed Credits

Rev 1003.03 Credits or Refunds for Returned OTP for Wholesalers.

(a) Wholesalers shall obtain credits or refunds for outdated, damaged or unsaleable returned OTP, as provided by RSA 78:10, by either of the following methods:

(1) By taking a credit of the amount due against the tax liability on their Form DP-151, “Wholesalers’ Other Tobacco Products Tax Return”; or

(2) By mailing a written request to the department for a refund to:
New Hampshire Department of Revenue Administration
Collections Division
P. O. Box 454
Concord, New Hampshire 03302-0454.

(b) The amount of credit or refund shall be calculated using the tax rate and wholesale sales price in effect at the time the tax was paid.
(c) Each wholesaler requesting a credit or refund shall also provide copies of:
   (1) Invoices showing the following:
       a. The name and address of the retailer returning the OTP to the wholesaler;
       b. The date the OTP was sent back to the wholesaler;
       c. The description and quantity of OTP returned by the retailer to the wholesaler;
       and
       d. The reason the OTP was returned;
   (2) Any documents used by the wholesaler to return the OTP to the manufacturer; and
   (3) All affidavits from the manufacturer verifying the receipt and destruction of the OTP
       for which the credit or refund is being claimed.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

NH follows the federal guidelines for PACT ACT reporting.
STATE OF NEW JERSEY

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF NEW MEXICO

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

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Section 2 – Acquiring Stamps

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Section 3 - Bond Requirements

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Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF NEW YORK

General Information

Section 1 - Contact Information

Contact Name: Jacqueline Trembley, Program Manager

Agency: New York State Department of Taxation and Finance, TDAB – Cigarette and Tobacco Taxes

Mailing Address: WA Harriman Campus

City, State, Zip Code: Albany, NY 12227

Phone Number: (518) 937-9472

Fax Number: (518) 435-8546

E-mail Address: Jacqueline.trembley@tax.ny.gov

Website: www.tax.ny.gov

Agency: Office of the Attorney General, Tobacco Compliance Unit

Mailing Address: 120 Broadway, 26th

City, State, Zip Code: New York, NY 10271

Phone Number: (212) 416-6343

Website: www.ag.ny.gov

Section 2 - Statutes, Regulations and Rules

General Cigarette and Tobacco Tax Information
Cigarette and Tobacco Products Tax Law
New York Codes, Rules and Regulations (unofficial)
Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

**Cigarette**: Any roll for smoking made wholly or in part of tobacco or of any other substance, irrespective of size or shape and whether or not such tobacco or substance is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material but is not made in whole or in part of tobacco.

**Tobacco products**: Any cigar, including a little cigar, or tobacco, other than cigarettes, intended for consumption by smoking, chewing, or as snuff.

**Roll-your-own tobacco**: Any tobacco product that, because of its appearance, type packaging or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.

**Little cigar**: Any roll for smoking made wholly or in part of tobacco if such product is wrapped in any substance containing tobacco, other than natural leaf tobacco wrapper, and weighing not more than four pounds per thousand or with a cellulose acetate or other integrated filter.

**Snuff**: Any finely cut, ground, or powdered tobacco that is not intended to be smoked.

**Cigar**: Any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (other than any roll of tobacco that is a cigarette). “Cigar” shall include, except where expressly excluded, any little cigar.

Section 4 - The Basis for the Tax

New York State and New York City impose an excise tax on all cigarettes possessed in the state for sale.

The state excise tax rate is $4.35 per package of 20 cigarettes.

The New York City local excise tax is $1.50 per package of 20 cigarettes, bringing the combined tax rate for a package of 20 cigarettes purchased in New York City to $5.85.

New York State imposes an excise tax on tobacco products possessed in the state for sale at the following rates:

- 75% of the wholesale price on cigars and tobacco products (other than little cigars and snuff);
- $4.35 per 20 little cigars;
- $2 per container of snuff with one ounce or less; and
- $2 per ounce of snuff and a proportionate rate on any fractional amount for containers with more than one ounce (for example, the tax on a 1.25 oz. container would be $2.50).

Cigarette Marketing Standards Act (CMSA)
Article 20-A of the Tax Law establishes minimum resale prices for sales of cigarettes at the wholesale and retail levels. Under the CMSA, it is unlawful for any agent, or wholesale or retail dealer, to intentionally injure competitors or to destroy or substantially lessen competition. It is also unlawful for such parties to intentionally avoid the collection or paying over of taxes or to advertise, offer to sell, or sell cigarettes at a price below their cost plus a statutorily determined minimum percentage markup. The CMSA also includes fines and penalties for violations of these requirements.

Section 5 - Tax Rates and Miscellaneous Fees

See above.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Cigarette stamping agents are entitled to a commission for the services and expenses incurred in affixing stamps. The current rates are:

<table>
<thead>
<tr>
<th>Value of stamps purchased during calendar year</th>
<th>Rates for NY State stamps only</th>
<th>Rates for joint NY State and NYC stamps</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,611,200 or less</td>
<td>.003696</td>
<td>.004071</td>
</tr>
<tr>
<td>More than $5,611,200</td>
<td>.002625</td>
<td>.002893</td>
</tr>
</tbody>
</table>

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

The cigarette excise tax is paid when a licensed cigarette stamping agent purchases New York State tax stamps from the Tax Department. As evidence of payment of the state tax, stamps must be affixed to the bottom of each pack of cigarettes sold in New York State. A joint New York State and New York City tax stamp is evidence that both the state and city excise taxes was paid.
In addition to the cigarette excise tax, the agent pays a prepaid sales tax at the time the cigarette tax stamps are purchased and passes that tax on to wholesalers and retailers.

The tobacco tax is paid by a distributor when the distributor imports tobacco products into this state or causes them to be imported or manufacturers them in the state.

**Section 10 - Tax Return Due Dates**

Cigarette agent inventory reports are due monthly on the 15th of the following month.

Cigarette wholesale dealer informational returns are due quarterly on the 20th day of the month following the end of the previous quarter.

Tobacco distributor tax returns are due monthly on the 20th day of the following month.

Tobacco products wholesale dealer informational returns are due quarterly on the 20th day of the month following the end of the previous quarter.

See [Publication 55](#) for rules regarding when a return, payment, or other document is considered timely.

**Section 11 – Tax Return Filings**

There is no option for electronic filing of cigarette agent inventory reports.

Cigarette wholesale dealers are encouraged to file their information returns through a Business Online Services account. See [Online Services for Businesses](#) for additional information. However, wholesale dealers who do not keep their records electronically may file a paper return.

There is no option to file Tobacco products tax returns electronically.

**Section 12 – Tax Collection**

There is no option to pay the tax electronically.

**Section 13 - Penalties for Late Filing**

See Tax Bulletin, TB-ST-805 [Sales and Use Tax Penalties](#)
**Section 14 – Local Jurisdictional Tax**

New York City imposes an additional cigarette excise tax that is paid at the time the licensed cigarette stamping agent purchases joint NYS/NYC tax stamps.

**Section 15 - Floor Stock Tax**

Generally, yes.

**Section 16 – Qualifying Exemptions**

Cigarette sales to qualified Indians for their own use and consumption on their nations’ or tribes’ qualified reservation.

Cigarette or tobacco sales to the United States.

Cigarette or tobacco sales to or by a military Base Exchange store (sales tax only).

**Section 17 - Laws or Rules for Tribal Sales**

In general, all packages of cigarettes are required to have New York tax stamps affixed to them. For cigarettes sold to Indian nations or tribes or reservation cigarette sellers, the Tax Law provides two alternatives to ensure there is an adequate quantity of tax-exempt cigarettes available for the use or consumption of an Indian nation or tribe or by its members. The governing body of an Indian nation or tribe may elect to participate in the Indian tax exemption coupon system or, if the election is not made, the prior approval system will be used.

The prior approval system allows licensed wholesale dealers (or wholesale dealer/agents) to sell stamped packs of cigarettes to Indian nations or tribes and reservation cigarette sellers without collecting the taxes to the extent Indian tax exemption coupons are provided or to the extent prior approval is received from the Tax Department, and the cigarettes were brought or delivered to the purchaser’s qualified reservation.

Special rules apply to the Oneida Indian Nation, pursuant to an Agreement with the State.

Licensed wholesale dealers (or wholesale dealer/agents) may file a claim for an expedited refund with respect to any cigarette and prepaid sales taxes previously paid on stamped packages of cigarettes sold to an Indian nation, tribe, or reservation cigarette seller. The claim for refund is filed on form CG-114-E.

For further information regarding sales of cigarettes to qualified reservations see NYS Tax Law § 471-e.
Section 18 - Information Required on a Customer Invoice

Invoices must show the name and address of the seller, the name and address of the purchaser, the quantity and brands of the cigarettes or tobacco products, and the name and address of the person who has, or will assume, the payment of the tax. Tobacco products invoices must also show the wholesale price or the tax paid or payable.

Delivery invoices must show:

- The date of delivery
- The number of packages and number of cigarettes per package or the wholesale price of each tobacco product shipped
- The name of the purchaser

Section 19 – Responsibility by Agency

MSA Reporting: Office of the Attorney General
Enforcement/Collection: Department of Taxation and Finance, Office of the Attorney General, Department of Health (enforcement authority for violations of Public Health Law and fire safety provisions), Office of Fire Prevention and Control (enforcement authority for violations of fire safety provisions)
Product Seizure Authority: Police officers, Department of Taxation and Finance, Office of Fire Prevention and Control peace officers for fire safety standards

Section 20 – New or Pending Legislation

No response received from state.

License Information

Applications

Cigarette Stamping Agent

- Must file an application CG-100-A (CG-100-A, CG-100-A Instructions)
- Pay Non-refundable $1,500 application fee ($1,000 if filed within 12 months of paying a prior $1,500 fee)
- Meet all other requirements such as but not limited to:
  - secure separate warehousing facilities,
- bonding (*determined by the number of stamp rolls to be purchased on credit*),
- Proof of financial security, etc.
- Contact the Department’s Registration and Bond Unit at 518-591-3089 with questions

**Wholesale Dealer of Cigarettes**
- Must file an application CG-100-W ([CG-100-W, CG-100-W Instructions])
- Pay Non-refundable $1,500 application fee ($1,000 if filed within 12 months of paying a prior $1,500 fee)
- Meet all other requirements:
  - Secure separate warehousing facilities,
  - bonding ($10,000),
  - Proof of financial security, etc.
- Contact the Department’s Registration and Bond Unit at 518-591-3089 with questions

**Retail Dealer of Cigarettes**
- Must file an online application DTF-716 to obtain a Certificate of Registration. [DTF-716 Application]
- Contact the Department’s Cigarette Tax Information Center at 518-485-7652 with questions

**Tobacco Products Distributor**
- Must file an application MT-202 ([MT-202, MT-202 Instructions])
- Contact the Department’s Registration and Bond Unit at 518-591-3089 with questions

**Tobacco Products Wholesale Dealer**
- Must file an application MT-202 ([MT-202, MT-202 Instructions])
- Contact the Department’s Registration and Bond Unit at 518-591-3089 with questions

**Tobacco Products Retail Dealer**
- Must file an online application DTF-716 to obtain a Certificate of Registration. [DTF-716 Application]
- Contact the Department’s Cigarette Tax Information Center at 518-485-7652 with questions

**Do licenses need to be renewed and if so, how frequently?**
Cigarette stamping agents, wholesale dealers of cigarettes, tobacco products distributors and wholesale dealers of tobacco products are generally not required to renew their registrations. However, the Department may require them to re-apply for a new license not more frequently than every three years.

Retail Dealers of Cigarettes and Tobacco Products are required to complete a renewal application, DTF-719-MN, annually.
Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

We have 4 different colored, numbered, heat-transferred stamps in use now with the following security features:

- Taggants
- Micro Imaging
- Stamp Numbering
- Variable Image
- UV Watermarking

Section 2 – Acquiring Stamps

Cigarette stamping agents purchase stamps from the New York State Department of Taxation and Finance.

How are stamps delivered to the wholesaler/distributor?
Stamps are delivered via priority mail to the cigarette stamping agent.

Section 3 - Bond Requirements

To purchase stamps on credit, a bond is required in an amount equal to the value of the stamps to be purchased. If an agent chooses to pay cash there is no bond requirement.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No transfer of unaffixed stamps is allowed.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Cigarette stamping agents may sell unstamped cigarettes to other agents for resale outside the state. No transfer of unstamped cigarettes is allowed between wholesalers that are not stamping agents.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
If a stamp is misapplied or unfit for use or consumption, a refund claim may be filed, provided documentation and inspection of the misapplication is completed by the Department and the misapplied or unfit stamps are sent back to the Department for destruction.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
The entire serial number must be visible to qualify for a refund.

Section 6 – Refund Limitations

With proper documentation, 2 years from the date of purchase or 2 years from the date of affixation, whichever is later.

Section 7 – Credit Process for Manufacturer Returns

A CG-114, Claim for Redemption/Refund of Cigarette Tax Stamps and Prepaid Sales Tax, is filed; an inspection may be requested; once permission is granted to return to the manufacturer, a manufacture’s statement or affidavit of return is required. CG-114 Instructions.

Section 8 – Other Allowed Credits

MT-203-MN, Tobacco Products Tax Return, allows a credit for tobacco products that are unfit for use and consumption, unsalable, or destroyed. If returned to the manufacturer or other seller, the distributor must attach a signed statement from the manufacturer or other seller documenting the return of the tobacco products. A copy of any approval from the Federal Alcohol Tobacco Tax and Trade Bureau must also be attached.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Cigarette stamping agent monthly cigarette tax reports (CG-5 or CG-6) require the agent to account for any discrepancies.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Stamp inventory must be reported monthly on the CG-5 or CG-6.
Stamps should be stored in a locked room or safe in a secure area with limited access.

**Pact Act Reporting**

PACT-ACT Reporting Procedures

All persons, including manufacturers, who sell, transfer, ship, advertise, or offer to sell cigarettes or smokeless tobacco in interstate commerce must first register with NYS to file PACT-ACT reports. Registrants submit reports via secure Tax Department e-mail account. Reports are due by the 10th of each month. No specific form or format is required but the following specific information is to be included on the reports submitted:

- The name and address of the person to whom the shipment was made;
- The brand and quantity of cigarettes or smokeless tobacco; and
- The name, address and phone number of the person delivering the shipment to the recipient on behalf of the delivery seller.
STATE OF NORTH CAROLINA

General Information

Section 1 - Contact Information

Contact Person: Al Milak
Agency: Department of Revenue
Mailing Address: 1429 Rock Quarry Road, Suite 105
City, State, Zip Code: Raleigh NC 27610
Phone Number: (919) 707-7583
Fax Number: (919) 733-8654
E-mail Address: Al.Milak@ncdor.gov
Website: http://www.dornc.com/downloads/tobacco.html

Contact Person: Richard L. Harrison
Agency: North Carolina Department of Justice
Mailing Address: 9001 Mail Service Center
City, State, Zip Code: Raleigh, NC 27699-9001
Phone Number: (919) 716-6400
Fax Number: (919) 716-6750
Website: http://www.ncdoj.gov/Top-Issues.aspx
Section 2 - Statutes, Regulations and Rules


http://www.ncga.state.nc.us/enactedlegislation/statutes/pdf/byarticle/chapter_105/article_2a.pdf


Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

OTP – Other tobacco products (other than cigarettes)

Cigarette - A roll of tobacco wrapped in paper or in a substance that does not contain tobacco. b. A roll of tobacco wrapped in a substance that contains tobacco and that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to or purchased by a consumer as a cigarette described in subpart a. of this subdivision.

Consumable product - Any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used. Any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

Section 4 - The Basis for the Tax

North Carolina Cigarette Tax - $0.45 / pack In North Carolina, cigarettes are subject to a state excise tax of $0.45 per pack of 20. Cigarettes are also subject to North Carolina sales tax of approximately $0.31 per pack, which adds up to a total tax per pack of $0.76. The average cost of a pack of cigarettes in North Carolina is $4.87.

North Carolina Other Tobacco Products Tax - 12.80% / Wholesale Price In North Carolina, other tobacco products are subject to a state excise tax of 12.80% / wholesale price as well as federal excise taxes (listed below). North Carolina applies a $0.05/milliliter tax to e-cigarette and vaping liquid.

Section 5 - Tax Rates and Miscellaneous Fees

License costs:

A distributor who purchases cigarettes directly from a manufacturer shall pay a continuing license of $25.00.

A nonresident distributor selling and shipping cigarettes into North Carolina on his own truck shall pay a continuing license of $25.00.
A manufacturer who sells cigarettes to a distributor shall pay a continuing license of $25.00.

A manufacturer who sells cigarettes to a retail dealer or an ultimate consumer shall pay a continuing license of $25.00.

A wholesale dealer shall obtain for each place of business a continuing tobacco products license and shall pay a continuing license of $25.00.

A retail dealer shall obtain for each place of business a continuing tobacco products license of $10.00. A “place of business” is a place where a wholesale dealer or where a retail dealer makes tobacco products other than cigarettes; or a wholesales dealer or a retail dealer receives or stores non-tax-paid tobacco products other than cigarettes.

Tax Rates:

Tax Rate: 2.25¢ per Cigarette

Pack of 20, Rate 45¢

Pack of 25, Rate 56.25¢

Other Tobacco Products 12.8% of the cost price of the products

Vapor Products, 5¢ per flued milliliter

**Section 6 - Rate Updates**

No. Currently there is a bill to raise the tax on all tobacco products.

**Section 7 - State Collection Allowance or Discount**

A distributor who files a timely report under G.S. 105-113.18 and who sends a timely payment may deduct from the amount due with the report a discount of two percent (2%). This discount covers expenses incurred in preparing the records and reports required by this Part, and the expense of furnishing a bond.

A distributor in possession of packages of stale or otherwise unsalable cigarettes upon which the tax has been paid may return the cigarettes to the manufacturer as provided in this subsection and apply to the Secretary for refund of the tax.

A wholesale dealer or a retail dealer who is primarily liable under G.S. 105-113.35(b) for the excise taxes imposed by this Part on tobacco products but not including vapor products, who files a timely report under G.S. 105-113.37, and who sends a timely payment may deduct from
the amount due with the report a discount of two percent (2%). This discount covers expenses incurred in preparing the records and reports required by this Part and the expense of furnishing a bond.

A wholesale dealer or retail dealer who is primarily liable under G.S. 105-113.35(b) for the excise taxes imposed by this Part and is in possession of stale or otherwise unsalable tobacco products upon which the tax has been paid may return the tobacco products to the manufacturer and apply to the Secretary for refund of the tax.

**Section 8 - Any Other Permissible Allowances**

None noted.

**Section 9 – The Point at Which Tax is imposed**

G.S. 105-113.5. Tax on cigarettes: A tax is levied on the sale or possession for sale in this State by distributor, of all cigarettes at the rate of two and one-fourth cents (2.25¢) per individual cigarette.

§ 105-113.6. Use tax levied. A tax is levied upon the sale or possession for sale by a person other than a distributor, and upon the use, consumption, and possession for use or consumption of cigarettes within this State at the rate set in G.S. 105-113.5. This tax does not apply, however, to cigarettes upon which the tax levied in G.S. 105-113.5 has been paid.

105-113.35. Tax on tobacco products other than cigarettes.

(b) Primary Liability. – The wholesale dealer or retail dealer who first acquires or otherwise handles tobacco products subject to the tax imposed by this section is liable for the tax imposed by this section. A wholesale dealer or retail dealer who brings into this State a tobacco product made outside the State is the first person to handle the tobacco product in this State. A wholesale dealer or retail dealer who is the original consignee of a tobacco product that is made outside the State and is shipped into the State is the first person to handle the tobacco product in this State.

(c) Secondary Liability. – A retail dealer who acquires non-tax-paid tobacco products subject to the tax imposed by this section from a wholesale dealer is liable for any tax due on the tobacco products. A retail dealer who is liable for tax under this subsection may not deduct a discount from the amount of tax due when reporting the tax.

(d) Manufacturer's Option. – A manufacturer who is not a retail dealer and who ships tobacco products other than cigarettes to either a wholesale dealer or retail dealer licensed under this Part may apply to the Secretary to be relieved of paying the tax imposed by this section on the tobacco products. A manufacturer who ships vapor products to either a
wholesale dealer or retail dealer licensed under this Part may apply to the Secretary to be relieved of paying the tax imposed by this section on the vapor products shipped to either a wholesale dealer or retail dealer. Once granted permission, a manufacturer may choose not to pay the tax until otherwise notified by the Secretary. To be relieved of payment of the tax imposed by this section, a manufacturer must comply with the requirements set by the Secretary.

**Section 10 - Tax Return Due Dates**

Returns are due within twenty days after the end of each month.

Return is timely filed if delivered in person or mailed or electronically submitted to the Department on or before the next business day after the Saturday, Sunday, or legal holiday.

**Section 11 – Tax Return Filings**

No option for electronic filing.

**Section 12 – Tax Collection**

Electronic payment methods are available through our website at [www.dornc.com](http://www.dornc.com).

All transactions submitted before 5 pm EST are effective the following banking day. The NCDOR will confirm your transaction by email within two business days of the date you submitted your payment information. Save the email for your records.

**Section 13 - Penalties for Late Filing**

Failure to Pay 10%.

Failure to File 5% per month, maximum 25%.

**Section 14 – Local Jurisdictional Tax**

None noted.

**Section 15 - Floor Stock Tax**

105-113.4D. Tax with respect to inventory on effective date of tax increase.
Every person subject to the taxes levied in this Article who, on the effective date of a tax increase under this Article, has on hand any tobacco products must file a complete inventory of the tobacco products within 20 days after the effective date of the increase, and must pay an additional tax to the Secretary when filing the inventory. The amount of tax due is the amount due based on the difference between the former tax rate and the increased tax rate.

**Section 16 – Qualifying Exemptions**

105-113.8 Federal Constitution and statutes. Any activities which this Article may purport to tax in violation of the Constitution of the United States or any federal statute are hereby expressly exempted from taxation under this Article.

105-113.10. Manufacturers exempt from paying the tax. Any manufacturer shipping cigarettes to other distributors who are licensed under G.S. 105-113.12 may, upon application to the Secretary and upon compliance with requirements prescribed by the Secretary, be relieved of paying the taxes levied in this Part.

§ 105-113.37. Payment of tax. A wholesale dealer who sells a tobacco product to a person who has notified the wholesale dealer in writing that the person intends to resell the item in a transaction that is exempt from tax under G.S. 105-113.35(a2) (1) or G.S. 105-113.35(a2)2) may, when filing a monthly report under subsection (a), designate the quantity of tobacco products sold to the person for resale.

105-113.10. Manufacturers exempt from paying tax.

(a) Shipping to Other Distributors. – Any manufacturer shipping cigarettes to other distributors who are licensed under G.S. 105-113.12 may, upon application to the Secretary and upon compliance with requirements prescribed by the Secretary, be relieved of paying the taxes levied in this Part. No manufacturer may be relieved of the requirement to be licensed as a distributor in order to make shipments, including drop shipments, to a retail dealer or ultimate user.

(b) Shipping for Affiliated Manufacturer. – A manufacturer may, upon application to the Secretary and upon compliance with requirements prescribed by the Secretary, be relieved of paying the taxes levied in this Part on cigarettes that are manufactured by an affiliated manufacturer and temporarily stored at and shipped from its facilities

**Section 17 - Laws or Rules for Tribal Sales**

Session Laws 2015-262, s. 2, provides: “The Department of Revenue may enter into an agreement with the Eastern Band of Cherokee Indians in regards to the excise tax on tobacco products administered under Article 2A of Chapter 105 of the General Statutes. The agreement must be approved by the Tribal Council of the Eastern Band of Cherokee Indians and signed by the Principal Chief of the Eastern Band of Cherokee Indians on behalf of the Eastern Band of Cherokee Indians.”
Cherokee Indians and must be signed by the Secretary of Revenue on behalf of the Department of Revenue. The agreement may be effective for a definite period of time or an indefinite period, as specified in the agreement.”

**Section 18 - Information Required on a Customer Invoice**

§ 105-113.31. (b) (1) Every person who transports non-tax-paid cigarettes on the public highways, roads, streets, or waterways of this State must transport with the cigarettes invoices or delivery tickets for the cigarettes showing the true name and complete and exact address of the consignee or purchaser, the quantity and brands of the cigarettes transported, and the true name and complete and exact address of the person who has paid or who will pay the tax imposed by this Part or the tax, if any, of the state or foreign country at the point of ultimate destination.

**Section 19 – Responsibility by Agency**

MSA Reporting: The Office of the Attorney General and North Carolina Department of Revenue

Enforcement/Collection: North Carolina Department of Revenue

Product Seizure Authority: North Carolina Department of Revenue, Tax Enforcement and Bureau of Alcohol, Tobacco, Firearms and Explosives and Any Officer of the law

**Section 20 – New or Pending Legislation**

Amend 105-113.29, regarding unlicensed places of businesses, to include businesses selling other tobacco products to clarify licensure requirements extend to both cigarette and OTP vendors and to correct other clerical errors.

**License Information**

§ 105-113.4A. Licenses.

(a) General. – To obtain a license required by this Article, an applicant must file an application with the Secretary on a form provided by the Secretary and pay the tax due for the license. An application must include the applicant's name, address, federal employer identification number, and any other information required by the Secretary. A license is not transferable or assignable and must be displayed at the place of business for which it is issued.

(b) Requirements. – An applicant for a license must meet the following requirements:
(1) If the applicant is a corporation, the applicant must either be incorporated in this State or be authorized to transact business in this State.

(2) If the applicant for a license is a limited liability company, the applicant must either be organized in this State or be authorized to transact business in this State.

(3) If the applicant for a license is a limited partnership, the applicant must either be formed in this State or be authorized to transact business in this State.

(4) If the applicant for a license is an individual or a general partnership, the applicant must designate an agent for service of process and give the agent's name and address.

§ 105-113.13. Secretary may require a bond or irrevocable letter of credit.

The Secretary may require a distributor to furnish a bond in an amount that adequately protects the State from loss if the distributor fails to pay taxes due under this Part. A bond must be conditioned on compliance with this Part, payable to the State, and in the form required by the Secretary. The amount of the bond is two times the distributor's average expected monthly tax liability under this Article, as determined by the Secretary, provided the amount of the bond may not be less than two thousand dollars ($2,000) and may not be more than two million dollars ($2,000,000). The Secretary should periodically review the sufficiency of bonds required of the distributor and increase the required bond amount if the amount no longer covers the anticipated tax liability of the distributor and decrease the amount if the Secretary finds that a lower bond amount will protect the State adequately from loss. For purposes of this section, a distributor may substitute an irrevocable letter of credit for the secured bond required by this section. The letter of credit must be issued by a commercial bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon compliance with this Article, and in the amounts stipulated in this section.

§ 105-113.38. Bond or irrevocable letter of credit.

The Secretary may require a wholesale dealer or a retail dealer to furnish a bond in an amount that adequately protects the State from loss if the dealer fails to pay taxes due under this Part. A bond must be conditioned on compliance with this Part, payable to the State, and in the form required by the Secretary. The amount of the bond is two times the wholesale or retail dealer's average expected monthly tax liability under this Article, as determined by the Secretary, provided the amount of the bond may not be less than two thousand dollars ($2,000) and may not be more than two million dollars ($2,000,000). The Secretary should periodically review the sufficiency of bonds required of dealers, and increase the amount of a required bond when the amount of the bond furnished no longer covers the anticipated tax liability of the wholesale dealer or retail dealer and decrease the amount when the Secretary determines that a smaller bond amount will adequately protect the State from loss.
For purposes of this section, a wholesale dealer or a retail dealer may substitute an irrevocable letter of credit for the secured bond required by this section. The letter of credit must be issued by a commercial bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon compliance with this Article, and in the amounts stipulated in this section.

NCDOR Link to bond forms and tax forms for Tobacco and OTP
http://www.dornc.com/downloads/tobacco.html

Do licenses need to be renewed and if so, how frequently?
No.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

North Carolina does not have any tax stamps.

Section 2 – Acquiring Stamps

Not applicable.

How are stamps delivered to the wholesaler/distributor?
Not applicable.

Section 3 - Bond Requirements

None noted.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
None noted.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
None noted.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
None noted.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations
None noted.

Section 7 – Credit Process for Manufacturer Returns
None noted.

Section 8 – Other Allowed Credits
None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory
None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements
None noted.

Pact Act Reporting


PACT Act can be submitted via e-mail.
STATE OF NORTH DAKOTA

General Information

Section 1 - Contact Information

Agency: North Dakota Office of State Tax Commissioner

Mailing Address: 600 East Boulevard Ave. Dept. 127

City, State, Zip Code: Bismarck, ND 58505-0599

Phone Number: (701) 328-3343

Fax Number: (701) 328-0336

E-mail Address: cig-tobaccotax@nd.gov

Website: www.nd.gov/tax

Agency: North Dakota Attorney General’s Office

Mailing Address: 600 East Boulevard Ave. Dept. 125

City, State, Zip Code: Bismarck, ND 58505

Phone Number: (701) 328-2210

Fax Number: (701) 328-4300

E-mail Address: ndag@nd.gov

Website: www.attorneygeneral.nd.gov
**Section 2 - Statutes, Regulations and Rules**

** Tobacco Products Tax Law can be accessed at:**
www.nd.gov/tax/tax-resources/laws--regulations

** Other statutes that can be accessed at the following link listed below for Tobacco Product Manufacturer Sales (Chapter 51-25), Remote Sales of Tobacco Products (51-32), Unfair Trade Practices Law (51-10) and Ignition Propensity for Cigarettes (18-13):**
www.legis.nd.gov/cencode/t57.html

**Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions**

Cigarette - means any roll for smoking made wholly or in part of tobacco or processed Tobacco and encased in any material except tobacco. "Cigarette" also means any product of a cigarette-making machine.

Cigar - means any roll of tobacco wrapped in tobacco.

Pipe Tobacco - means any processed tobacco that, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco to be smoked in a pipe.

Other Tobacco Products - means snuff and chewing tobacco.

Snuff - means any finely cut, ground, or powdered tobacco that is intended to be placed in the mouth.

Chewing Tobacco - means any leaf tobacco that is intended to be placed in the mouth.

**Section 4 - The Basis for the Tax**

Cigarettes Tax = $0.44/pack of 20
$0.55/pack of 25

Cigars & Pipe Tobacco Tax = 28% of wholesale purchase price. The term "Wholesale Purchase Price" shall mean the established price for which a manufacturer sells cigars or pipe tobacco to a distributor exclusive of any discount or other reduction.

Snuff Tax = $0.60 per ounce.

Chewing & Plug Tobacco Tax = $0.16 per ounce.
Section 5 - Tax Rates and Miscellaneous Fees

Tax rates listed above.

Section 6 - Rate Updates

Are any tax rates expected to change in the near future?
No.

Section 7 - State Collection Allowance or Discount

Is there a discount given to wholesalers/distributors for collecting and remitting taxes?
Yes, as long as return is filed and paid on-time.

If so, how much is the discount for each tax type?
Cigarette Tax discount is 1.5% of tax or $100, whichever is less. No discount is given for OTP (cigars, pipe tobacco, snuff, & chewing tobacco).

Section 8 - Any Other Permissible Allowances

Is there an allowance for bad debt credits?
No.

Is there an allowance for theft?
No.

Section 9 – The Point at Which Tax is imposed

Cigarettes – Taxed when sold.

Tobacco Products – Taxed when product is brought into North Dakota.

Section 10 - Tax Return Due Dates

Returns are the 15th of the month following the period ending date. If the 15th falls on a holiday or weekend the return will be due the next business day. A return’s timeliness is based on the postmark date.
Section 11 – Tax Return Filings

Describe how returns can be filed: Currently returns are only submitted on a paper return. Electronic filing is not available at this time.

Section 12 – Tax Collection

Is there an option for, or point at which a taxpayer must make an, electronic payment? If so, is there a time by which the electronic payment must be transmitted to be considered timely, (i.e., no later than 3pm the day prior to the due date)? Electronic payments not available for cigarette and tobacco products tax. Checks must be postmarked by the 15th of the month to be considered on time.

Section 13 - Penalties for Late Filing

Penalty is five percent of the amount of tax due or five dollars, whichever is greater, plus interest of one percent of the tax per month or fraction of a month of delay except the first month after the return or the tax became due.

Section 14 – Local Jurisdictional Tax

Does your state have any local jurisdictions that also impose an excise tax?
No

Section 15 - Floor Stock Tax

Does your state impose a floor stock tax when there is a change in tax rate?
TBD based on the specifics of the tax change.

Section 16 – Qualifying Exemptions

All gift cigarettes, snuff, cigars, and other tobacco products, not for resale, which are given to the North Dakota Veterans' Home or the North Dakota State Hospital for distribution to the occupants thereof, are exempt from the excise taxes.
Section 17 - Laws or Rules for Tribal Sales

North Dakota currently has one tribal agreement with the Standing Rock Sioux Tribe. This tribal agreement mirrors our state tobacco products tax law. Tax is reported on a separate cigarette and tobacco products tax form (Form 44SR) for sales made onto the North Dakota portion of the Standing Rock Sioux reservation.

Sales to Native American retailers who are owned by an enrolled tribal member and are located on one of the other reservations in North Dakota are currently exempt from cigarette and tobacco products excise tax. Sales to a corporation or LLC located on a reservation are not exempt from the cigarette and tobacco products excise tax as these entity types are not considered to have an ethnic origin and are not considered Native American retailers.

Section 18 - Information Required on a Customer Invoice

Provide what information is required on a customer invoice (i.e., wholesaler/distributor license number, customer license number, excise tax charged, etc.): Our law does not specifically require certain information be listed on invoices. The expectation, though, is that proper identifying information for the involved parties should be listed with the transaction details listed in an easy to decipher manner.

Section 19 – Responsibility by Agency

MSA Reporting: North Dakota Office of State Tax Commissioner tracks MSA data and reports applicable NPM escrow information to the North Dakota Attorney General’s Office. The Attorney General’s Office enforces payment of the escrow deposits from the appropriate NPM’s.

Enforcement/Collection: North Dakota Office of State Tax Commissioner handles collection efforts for delinquent returns. As stated above, the AGO handles enforcement of NPM escrow deposits.

Product Seizure Authority: North Dakota Office of State Tax Commissioner.

Section 20 – New or Pending Legislation

None noted.
License Information

Do licenses need to be renewed and if so, how frequently?
Tobacco Products licenses are issued at the wholesale and retail levels in North Dakota. The wholesale license is $25/year with a $1000 surety bond required. The retail license is $15/year. Both licenses must be renewed annually. The license term is July 1 – June 30. Sellers of e-cigs or other vaping products currently do not need to be licensed.

The license application can be accessed from the North Dakota Attorney General’s Office website: www.attorneygeneral.nd.gov

The contact person regarding licensing is Missy Tesky; phone number (701) 328-2329.

Cigarette and Tax Stamp Information

North Dakota currently does not stamp cigarettes so the below information is not applicable to our state.

Section 1 – Tax Stamp Attributes

Not applicable.

Section 2 – Acquiring Stamps

Not applicable.

How are stamps delivered to the wholesaler/distributor?
Not applicable.

Section 3 - Bond Requirements

Not applicable.
Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Not applicable.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Not applicable.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Not applicable.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Not applicable.

Section 6 – Refund Limitations

Not applicable.

Section 7 – Credit Process for Manufacturer Returns

Not applicable.

Section 8 – Other Allowed Credits

Not applicable.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Not applicable.
Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Not applicable.

Pact Act Reporting

North Dakota century code chapter 51-32 covers remote sales of tobacco products. PACT Act reports for cigarettes and tobacco products, which are separate from the tax return, can be mailed, faxed or emailed to tax commissioner. Reports are due the 10th of the month for the prior month.
STATE OF OHIO

General Information

Section 1 - Contact Information

Contact Name: William Ditto, Administrator

Agency: Excise & Energy Tax Division

Mailing Address: 4485 Northland Ridge Blvd; P.O. Box 530

City, State, Zip Code: Columbus Ohio 43215

Phone Number: (855) 466-3921

Fax Number: (206) 350-6722

Website: http://www.tax.ohio.gov

Contact Name: Carol Mosholder, Tobacco Counsel

Agency: Attorney General Office

Phone Number: (614) 387-5600

Website: www.ohioattorneygeneral.gov

Section 2 - Statutes, Regulations and Rules

Agency Website: http://www.tax.ohio.gov
Ohio Statutes: http://codes.ohio.gov/orc/

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

"Cigarettes" includes any roll for smoking made wholly or in part of tobacco, irrespective of size or shape, and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper, reconstituted cigarette tobacco, homogenized cigarette tobacco, cigarette tobacco sheet, or any similar materials other than cigar tobacco.
"Tobacco product" or "other tobacco product" means any product made from tobacco, other than cigarettes, that is made for smoking or chewing, or both, and snuff.

"Little cigar" means any roll for smoking, other than cigarettes, made wholly or in part of tobacco that uses an integrated cellulose acetate filter or other filter and is wrapped in any substance containing tobacco, other than natural leaf tobacco.

### Section 4 - The Basis for the Tax

Cigarettes are taxed per stick- an excise tax on sales of cigarettes is hereby levied at the rate of eighty mills on each cigarette.

Other Tobacco Products, an excise tax on tobacco products is hereby levied at one of the following rates:

1. For tobacco products other than little cigars, seventeen per cent of the wholesale price of the tobacco product received by a distributor or sold by a manufacturer to a retail dealer located in this state.

2. For invoices dated October 1, 2013, or later, thirty-seven per cent of the wholesale price of little cigars received by a distributor or sold by a manufacturer to a retail dealer located in this state.

### Section 5 - Tax Rates and Miscellaneous Fees

See above.

### Section 6 - Rate Updates

$0.50 cap on premium cigars.

### Section 7 - State Collection Allowance or Discount

For Other Tobacco Products: If the return is filed and the amount of tax shown on the return to be due is paid on or before the date the return is required to be filed, the distributor is entitled to a discount equal to two and five-tenths per cent of the amount shown on the return to be due.

For Cigarettes: The discount on sales of cigarette tax stamps and meter impressions to licensed wholesale dealers shall be one and eight-tenths per cent of the tax value thereof, irrespective of the amount of such sales.
Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Cigarettes - when the stamp is applied.
OTP – when the products enter the state.

Section 10 - Tax Return Due Dates

Cigarettes – returns need to be postmarked by the last day of the month following the reporting period.
OTP – returns need to be postmarked by the 23rd of the month following the reporting period.

Section 11 – Tax Return Filings

The returns are currently filed by paper. Electronic filing will be available soon.

Section 12 – Tax Collection

OTP – payment is made by check. Acceptance of electronic payments will be available soon.
Cigarettes – If purchasing cigarette tax stamps on credit, an electronic payment must be made on or before the invoice due date. All other stamp purchases can be paid via a check, or electronically.

Section 13 - Penalties for Late Filing

OTP - $50 or 10% of the tax due, whichever is greater.
CIG - $1 per day.

Section 14 – Local Jurisdictional Tax

There is an additional county permissive tax for cigarettes sold into Cuyahoga County.
Section 15 - Floor Stock Tax

Depends on what is passed legislatively.

Section 16 – Qualifying Exemptions

None noted.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

Each distributor of tobacco products shall mark on the invoices of tobacco products sold that the tax has been paid and shall indicate the distributor's account number as assigned by the tax commissioner.

Section 19 – Responsibility by Agency

MSA Reporting: The Ohio Attorney General’s Office in collaboration with The Department of Taxation
Enforcement/Collection: The Ohio Attorney General’s Office
Product Seizure Authority: Ohio Department of Taxation, Criminal Investigation Division and Agents

Section 20 – New or Pending Legislation

$0.50 cap on premium cigars.

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette Wholesalers, Manufacturers, Importers, Retailers are required to be licensed. The licenses renew annually on the fourth Monday of May. The annual fee for the wholesale license is $1,000 and $125 for the retail license.
Other Tobacco Products Distributors, Manufacturers and Importers are required to be licensed. The licenses renew annually on February 1st. The annual fee for the distributor’s license is $1,000.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Ohio uses a fusion heat applied stamp with overt and covert markings and a serialized number for the roll or sheet. The Ohio Department of Taxation sells the stamps to licensed wholesalers.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
The Ohio Department of Taxation sells the stamps to licensed wholesalers. A wholesaler must be licensed to purchase stamps. The stamps can be picked up at ODT or shipped to the wholesaler via UPS or FedEx.

Section 3 - Bond Requirements

The Ohio Department of Taxation does have a bond option. Upon submission and approval of the bond form, the wholesalers can purchase on credit for 30 days.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No, all unaffixed must be returned to the Ohio Department of Taxation for a refund.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes, only with a pre-authorized consent, detailing brand, quantity, date and how shipped.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

All packs of cigarettes must have a stamp applied before leaving a wholesaler for sell to retail or at least 3/4ths of a stamp affixed or is subject to confiscation.
OTP must have the Distributors account number with the verbiage “Ohio excise taxes paid” on all invoices showing proof of taxes paid or is subject to confiscation.

**Does the state allow a tax credit?**
None noted.

**Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?**
Yes, 3/4ths of the stamp must be available for a refund.

**Section 6 – Refund Limitations**

None noted.

**Section 7 – Credit Process for Manufacturer Returns**

Refund for product sent back to the manufacturer is that a refund claim must be filed within the 36 month statute of limitations and must be accompanied with four documents. Return Goods Authorization, Bill of lading, Credit Memo, and Manufacturers Affidavit.

**Section 8 – Other Allowed Credits**

Destruction of products must be requested with a pre authorization from the Department prior to destruction.

**Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory**

In Ohio, the taxpayer is required to conduct a physical inventory monthly and if there are discrepancies with the physical creating an overage or a liability then the Ohio Department of Taxation collects on liability and does not refund on overages.

**Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements**

None noted.
Pact Act Reporting

PACT ACT-Any person who sells, transfers, or ships for profit of cigarettes or smokeless tobacco in interstate commerce, whereby such cigarettes or smokeless tobacco are into a State, locality, or Indian country of an Indian tribe taxing sale or use of cigarettes or smokeless tobacco or who advertise or offer's cigarettes or smokeless tobacco for sale, transfer or shipment. Ohio requires in a form prescribed by the tax commissioner.
STATE OF OKLAHOMA

General Information

Section 1 - Contact Information

Contact Name: Jerry Leonard
Agency: Oklahoma Tax Commission
Mailing Address: 2501 N Lincoln Blvd
City, State, Zip Code: Oklahoma City, OK 73194
Phone Number: (405) 521-3242
Fax Number: (405) 522-1942
E-mail Address: jleonard@tax.ok.gov
Website: https://www.ok.gov/tax/

Contact Name: Clyde Kirk
Agency: Oklahoma Attorney General Office
Mailing Address: 313 NE 21st St
City, State, Zip Code: Oklahoma City, OK 73105
Phone Number: (405) 521-3921
Website: https://www.ok.gov/oag/index.html#
Section 2 - Statutes, Regulations and Rules

http://www.oscn.net/applications/oscn/Index.asp?ftdb=STOKST68&level=1 68-301-380 for cigarettes and 68-401-429 for OTP

Agency Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes - The term "cigarette" is defined to mean and include all rolled tobacco or any substitute therefor, wrapped in paper or any substitute therefor and weighing not to exceed three (3) pounds per thousand cigarettes.

Other Tobacco Products - The words "tobacco products" shall mean any cigars, cheroots, stogies, smoking tobacco (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco suitable for smoking in a pipe or cigarette), chewing tobacco (including Cavendish, twist, plug, scrap and any other kinds and forms of tobacco suitable for chewing), however prepared; and shall include any other articles or products made of tobacco or any substitute therefor.

Section 4 - The Basis for the Tax

Rates effective January 1, 2005, applicable to non-tribal sales. The non-tribal rates are:
(1) For little (Class A) cigars: $0.036 each.
(2) For Class B cigars: $0.10 each.
(3) For all other (Class C) cigars: $0.12 each.
(4) For smoking tobacco: Eighty percent (80%) of the Factory List Price.
(5) For chewing tobacco: Sixty percent (60%) of the Factory List Price.

The terms "New Unity Compact" and "New Unity Rate" apply to compacts signed after July 1, 2013, which contain the provision that the rate will increase by an amount equal to any tax increase that becomes effective on or after January 1, 2004, and to sales made thereunder:
(1) For little (class A) cigars: $0.036 each
(2) For all other (class C) cigars: $0.12 each
(3) For smoking tobacco: Eighty percent (80%) of the Factory List Price
(4) For chewing tobacco: Sixty percent (60%) of the Factory List Price
Section 5 - Tax Rates and Miscellaneous Fees

None noted.

Section 6 - Rate Updates

Cigarette tax fee is to go into effect August 25, 2017; however it is being challenged in court the rate increase would be to $2.53 per 20 pack and $3.1625 per 25 pack.

Section 7 - State Collection Allowance or Discount

For cigarettes the discount is on the purchase of stamps is $0.015 per stamp.

For OTP the reporter is allowed a discount of 2% of the tax due on the monthly report.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

For cigarettes it is when the stamp is purchased.

OTP products wholesalers pay when the product is shipped into the state.

Section 10 - Tax Return Due Dates

All returns, both cigarette and OTP are due by the 20th of the month for the previous month’s activities.

If the due date falls on a weekend or holiday the due date is then the next business day. The postmark date is considered to be a timely filed return. However Oklahoma requires all cigarette and tobacco wholesalers to file electronically.

Section 11 – Tax Return Filings

Wholesalers are required to file electronically; they file on the OkTAP Gentax system.
Section 12 – Tax Collection

Payment must be made in order for a cigarette stamp order to process. Payment must be made when filing an OTP return for the return to be considered timely.

Section 13 - Penalties for Late Filing

OTP interest is calculated at 1 ¼% per month of the unpaid tax. If any amount of tobacco tax is not paid within 30 days the penalty is 10% of the total amount of delinquent tax.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

None noted.

Section 16 – Qualifying Exemptions

None noted.

Section 17 - Laws or Rules for Tribal Sales

Sales made to tribal shops must have a tribal stamp affixed to the pack. All wholesalers must report those sales to the Oklahoma Tax Commission and all tribes are rebate based on their compact a portion of the tax collected.

Section 18 - Information Required on a Customer Invoice

None noted.

Section 19 – Responsibility by Agency

MSA Reporting: Oklahoma Attorney General’s office
Enforcement/Collection: Oklahoma Tax Commission
Product Seizure Authority: Oklahoma Tax Commission
**Section 20 – New or Pending Legislation**


**License Information**

Cigarette and/or Tobacco Wholesalers - $250.00 due annually  Cigarette Manufacture - $250.00
due annually  Wholesale cigarette and/or tobacco vehicle license $10 per vehicle due annually Cigarette Distributing Agent permit - $100 due annually  Retail cigarette permit $30 due every three years  Retail tobacco permit $30 due every three years.

Do licenses need to be renewed and if so, how frequently?
See above.

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

All stamps are colored, numbered and are heat applied. Full rate stamps are green, tribal stamps are tan.

**Section 2 – Acquiring Stamps**

How are stamps delivered to the wholesaler/distributor?
All cigarette stamps must be ordered through the wholesaler’s OkTAP account and orders are then sent to Meyercord in Carol Stream IL for processing. Stamps are then delivered (standard delivery of 2 days) the OTC will pick up shipping costs  If wholesale needs overnight delivery they have the option to order that type of delivery on the order system. They must have a Fed Ex account and they pay for that cost.

**Section 3 - Bond Requirements**

All Cigarette and/or Tobacco Wholesalers must post a $25,000 bond.
Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?  
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?  
No.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?  
Not for misapplied stamps.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?  
No.

Section 6 – Refund Limitations

No time limits.

Section 7 – Credit Process for Manufacturer Returns

Wholesaler must send in an affidavit from the manufacture in order to claim a credit for stamps applied to cigarettes returned to a manufacture.

Section 8 – Other Allowed Credits

OTP product returned to a manufacture must have an affidavit supplied in order to claim credit.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Difference is reported on monthly return.
Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

Required to be reported by the 10th of the month for the previous month’s activities they file by email, with their returns and via mail.
STATE OF OREGON

General Information

Section 1 - Contact Information

Contact Name: Shannon Johns
Agency: Department of Revenue
Mailing Address: 955 Center St. NE
City, State, Zip Code: NE, Salem, OR 97301
Phone Number: (503) 971-1171
Fax Number: (503) 947-2255
E-mail Address: Shannon.johns@oregon.gov
Website: http://www.oregon.gov/dor/

Contact Name: Kristen Gilman, Assistant Attorney General | Tobacco Enforcement Unit and Civil Recovery Section
Agency: Oregon Department of Justice
Mailing Address: 1162 Court St. NE
City, State, Zip Code: Salem, OR 97301-4096
Phone Number: 503.934.4400
E-mail Address: Kristen.a.gilman@state.or.us
Website: http://www.doj.state.or.us/tobacco/pages/index.aspx
Section 2 - Statutes, Regulations and Rules

Cigarettes and Tobacco Products Revenue and Taxation

Oregon Revised Statutes: https://www.oregonlegislature.gov/bills_laws/ors/ors323.html

Oregon Administrative Rules: http://arcweb.sos.state.or.us/pages/rules/oars_100/oar_150/150_323.html

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

"Cigarette" (ORS 323.010(1))

Any product that contains nicotine is intended to be burned or heated under ordinary conditions of use and consists of or contains:

Any roll of tobacco wrapped in paper or in any substance not containing tobacco;

Tobacco, in any form, that is functional in the product and that, because of its appearance, the type of tobacco used in the filler or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette.

Any roll of tobacco that is wrapped in any substance containing tobacco and that, because of its appearance, the type of tobacco used in the filler or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in paragraph (a) of this subsection.

"Tobacco products" (ORS 323.500(14))

Cigars, cheroots, stogies, perique’s, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, snuff flour, moist snuff, Cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, but shall not include cigarettes as defined in ORS 323.010 (Definitions for ORS 323.005 to 323.482).

"Cigar" (ORS 323.500(2))

A roll for smoking that is of any size or shape and that is made wholly or in part of tobacco, irrespective of whether the tobacco is pure or flavored, adulterated or mixed with any other ingredient, if the roll has a wrapper made wholly or in greater part of tobacco and if 1,000 of these rolls collectively weigh more than three pounds. "Cigar" does not include a cigarette, as defined in ORS 323.010 (Definitions for ORS 323.005 to 323.482).
"Moist snuff" (ORS 323.500(9))

Any finely cut, ground or powdered tobacco that is not intended to be smoked or placed in a nasal cavity; or

Any other product containing tobacco that is intended or expected to be consumed without being combusted.

Section 4 - The Basis for the Tax

Cigarette
Unit based—tax is imposed on the distribution of each cigarette in this state. ORS 323.030 and 323.031

Tobacco Products
Wholesale sales price—the price paid for untaxed tobacco products to or on behalf of a seller by a purchaser of the untaxed tobacco products. ORS 323.500(16) and 323.505(2) (c)

Cigar
Wholesale sales price—the price paid for untaxed tobacco products to or on behalf of a seller by a purchaser of the untaxed tobacco products. ORS 323.500(16) and 323.505(2) (a)

Cap—the cigar tax cannot exceed $0.50 per cigar. ORS 323.505(2) (a)

Moist Snuff
Weight based—the tax is calculated per ounce based on the net weight determined by the manufacturer. ORS 323.505(b)

Minimum—the minimum tax for moist snuff products is $2.14 per retail contained. ORS 323.505(b)

Provide tax rates and any miscellaneous fees due with the tax returns (as of 4/10/17)

Section 5 - Tax Rates and Miscellaneous Fees

Cigarette
$1.32 tax per 20 packs ($1.65 tax per 25 packs). ORS 323.030 and 323.031

Tobacco Products
65% of the wholesale sales price of any tobacco products that are not cigars or moist snuff. ORS 323.505(2) (c)
Cigar
65% of the wholesale sales price of cigars, but not to exceed 50 cents per cigar. ORS 323.505(a)

Moist Snuff
$1.78 per ounce, except that the minimum tax is $2.14 per retail container. ORS 323.505(b)

Section 6 - Rate Updates

The cigarette tax rate is schedule to increase January 1, 2018 from $1.32 tax per 20 pack ($1.65 tax per 25 pack) to $1.33 tax per 20 pack ($1.6625 tax per 25 pack). See Oregon Laws 2013 (Special Session), chapter 5, sections 16 & 19.

The Oregon legislature has bills with proposed increases as follows:

**Cigarette tax increases**
- $0.50/20 pack – $2.00/20 pack rate increase

**OTP tax increases**

Cigars
- 16.25% - 25% rate increase
- Increase cigar cap $0.125 per cigar (currently @ $0.50 per cigar)
- Remove cigar cap

Moist Snuff
- $0.45 - $0.68 rate increase
- Increase minimum tax $0.54 – $0.82 (currently @ $1.78 per container)

General OTP
- 16.25% - 25% rate increase

Section 7 - State Collection Allowance or Discount

Tobacco Distributor – Receives a discount of 0.015 of quarterly tax due. ORS 323.505(4).

Cigarette Distributor- Receives a discount of $0.004 per tax stamp purchased. ORS 323.170(2).
Section 8 - Any Other Permissible Allowances

We may grant other allowances depending on the circumstances.

Section 9 – The Point at Which Tax is imposed

Cigarette:
The tax is imposed at the point of distribution. Generally, this is the point that the product is brought into the state. Distribution is defined at ORS 323.015 as:

The sale in this state of untaxed cigarettes.

The use or consumption in this state of untaxed cigarettes.

The receipt or retention in this state of untaxed cigarettes at a place of business where cigarettes are customarily sold or offered for sale to consumers.

The placing of cigarettes in vending machines in this state.

The use or consumption by the first person in possession in this state of untaxed cigarettes transported to the state in quantities of more than 199 in a single shipment.

Donations of sample cigarettes or gift cartons by the manufacturers of the cigarettes, except sample packages containing not more than five cigarettes and labeled as "sample," "not for sale" or with similar wording.

The possession in this state of untaxed cigarettes that were transported to this state in quantities of more than 199, unless the person in possession of the untaxed cigarettes is in possession of the untaxed cigarettes in order to transport the cigarettes to a location outside this state.

Tobacco Products:
The tax is imposed at the time the distributor distributes the tobacco products. Generally, this is the point that the product is brought into the state. Distribute is defined at ORS 323.500 as:

Bringing, or causing to be brought, into this state from without these state tobacco products for sale, storage, use or consumption;

Making, manufacturing or fabricating tobacco products in this state for sale, storage, use or consumption in this state;

Shipping or transporting tobacco products to retail dealers in this state, to be sold, stored, used or consumed by those retail dealers;
Storing untaxed tobacco products in this state that are intended to be for sale, use or consumption in this state;

Selling untaxed tobacco products in this state; or

As a consumer, being in possession of untaxed tobacco products in this state.

**Section 10 - Tax Return Due Dates**

Oregon Quarterly Tax Return for Tobacco Distributors – Due date is the last day of January, April, July, and October of each year for the preceding calendar quarter.

Oregon Cigarette Distributor Quarterly Reconciliation Report – Due date is the 20th day of January, April, July, and October of each year for the preceding calendar quarter.

**Section 11 – Tax Return Filings**

We have electronic and paper filing methods available. Electronic filing is completed via the department’s secure taxpayer portal, Revenue Online. Paper returns can be downloaded from the department’s website and submitted in person or via U.S. mail.

**Section 12 – Tax Collection**

**Cigarette:**

The tax is collected from distributors when tax stamp orders are received. Distributors who purchase stamps using the deferred method submit payment on a monthly basis to cover the orders from the preceding month. As discussed below, the department requires that those distributors using the deferred method have a security deposit in the form of a bond or other approved security in place.

**Tobacco Products:**

The tax must be paid by each distributor to the department on or before the last day of January, April, July, and October for any distributions that occurred in the proceeding calendar quarter.

**Is there an option for, or point at which a taxpayer must make an, electronic payment? If so, is there a time by which the electronic payment must be transmitted to be considered timely, (i.e., no later than 3pm the day prior to the due date)?**

Electronic payment is not required. EFT debit from a savings or checking account will be considered timely if submitted by 11:59 PM on the due date from our Revenue Online system.
Credit/Debit card payments are directed to an outside site. Credit is given to your account on the date the transaction is authorized by the service provider. A credit/debit card option is not available for purchasing cigarette stamps.

Section 13 - Penalties for Late Filing

5% Failure to pay timely (ORS 314.400(1))

20% Failure to file and pay timely (ORS 314.400(3) (a))

25% failure to file (ORS 314.400(3) (b))

100% failure to file for 3 years in a row (ORS 305.992(1))

Civil penalties:

Cigarette: $1,000 civil penalty for violation of ORS 323.005 to ORS 323.482 (ORS 323.480(1))

Tobacco: $1,000 civil penalty for violation of ORS 323.500 to ORS 323.645 (ORS 323.630(1))

Section 14 – Local Jurisdictional Tax

No, the state cigarette and tobacco taxes are imposed in lieu of all other county or municipal taxes on the sale or use of cigarettes (ORS 323.030(2) and 323.640)

Section 15 - Floor Stock Tax

We have imposed a floor stock tax due to a tax rate change; however we do not impose a floor stock tax for every tax rate change.

Section 16 – Qualifying Exemptions

Cigarettes:

Distributions of cigarettes by the manufacturer to a licensed distributor

The sale of cigarettes by a distributor to a common carrier engaged in interstate or foreign passenger service or to a person authorized to sell cigarettes on the facilities of the carrier.
The sale of cigarettes to United States Army, Air Force, Navy, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration or Public Health Service of the United States Department of Health and Human Services exchanges and commissaries and Navy or Coast Guard ships’ stores, the United States Department of Veterans Affairs, ships’ stores maintained under federal bond, or to any person that by virtue of the Constitution or statutes of the United States cannot be made the subject of taxation by this state.

The sale or gift of federally tax-free cigarettes when the cigarettes are delivered directly from the manufacturer under Internal Revenue bond to a veterans’ home or a hospital or domiciliary facility of the United States Department of Veterans Affairs for gratuitous issue to veterans receiving hospitalization or domiciliary care. The tax may not be imposed with respect to the use or consumption of these cigarettes by the institution or by the veteran patients or domiciliaries.

The use or consumption of untaxed cigarettes transported to this state in a single lot or shipment of not more than 199 cigarettes.

**Tobacco Products:**

Sales of any tobacco products which under the Constitution and laws of the United States may not be made the subject of taxation by the state.

The sale of tobacco products by a distributor to a common carrier engaged in interstate or foreign passenger service or to a person authorized to sell tobacco products on the facilities of a common carrier.

**Section 17 - Laws or Rules for Tribal Sales**

**Cigarettes:**

The Department of Revenue is authorized to enter into a cigarette tax refund agreement with the governing body of any Indian reservation in Oregon. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any cigarette tax prepaid on sales of cigarettes to Indians upon the reservation and paid into the State Treasury. This provision is in addition to other laws allowing tax refunds. (ORS 323.401(1)).

**Tobacco Products:**

The Director of the Department of Revenue is authorized to enter into a tobacco products tax refund agreement with the governing body of any Indian reservation in Oregon. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any tobacco tax collected under ORS 323.500 to 323.645 in connection with the sale of tobacco products to Indians on the Indian reservation, or the use, storage or consumption of tobacco products by Indians on the Indian reservation. (ORS 323.615(1)).
Section 18 - Information Required on a Customer Invoice

Oregon law requires licensed OTP distributors to adhere to invoice requirements, all invoices must contain:

The name and address of the seller.

The name and address of the purchaser.

The date of the sale.

A description of the products and the quantity.

The price paid for the products and any discount applied.

The license number for the distributor.

A certified statement by the distributor of the tobacco products that all taxes under ORS 323.500 to 323.645 have been or will be paid.

Oregon Cigarette Wholesalers must provide invoices for sales to other retailers, these invoices must contain:

The name and address of the seller.

The name and address of the purchaser.

The date of the sale.

A description of the cigarettes and the quantity.

The license number for the cigarette wholesaler.

Section 19 – Responsibility by Agency

MSA Reporting: Oregon Department of Justice
Enforcement/Collection: Oregon Department of Revenue & the Attorney General
Product Seizure Authority: Oregon Department of Revenue and any law enforcement agency
Section 20 – New or Pending Legislation

Cigarette, tobacco, and Inhalant Delivery System (i.e. ENDS) retailer registration; SB 998 (2017 Session)

Cigarette tax increase and associated floor tax; HB 2119 (2017 Session)

Remove tax cap on cigars; HB 2662 (2017 Session)

Increase tax cap on cigars; HB 2037 (2017 Session)

Increase minimum tax on moist snuff; HB 2056 (2017 Session)

Tobacco Tax increase; HB 2056 (2017 Session)

Nicotine Substitute (i.e. contains nicotine but not tobacco) tax; HB 3296 (2017 Session)

Inhalant Delivery System (i.e. ENDS) tax; HB 3403 (2017 Session)

Minimum age increase (from 18 to 21); SB 754 (2017 Session)

Note: bill numbers listed above are not intended to be exhaustive. Some concepts are included in multiple bills.

License Information

To apply for a distributor or wholesaler license most businesses must be registered with the Secretary of State's office. All businesses, except certain sole proprietorships, are required to have a federal tax identification number. There is no fee to apply for or obtain a distributor or wholesaler license. Distributors may be required to provide a surety bond or security deposit. Applicants must be compliant with all tax and non-tax programs administered at DOR. Oregon DOJ has additional requirements for licensed distributors and wholesalers.

There are three types of licenses:

Cigarette Distributor's License: For people who bring untaxed cigarettes into Oregon for resale. This license allows you to purchase Oregon tax stamps from us.

Cigarette Wholesaler's License: For people who buy stamped cigarettes from licensed distributors. This license allows you to resell these cigarettes to other retailers.

Tobacco Products Distributor's License: For people who bring untaxed tobacco products into Oregon for resale.
Completed applications are submitted electronically using Revenue Online, or paper applications are sent to:

Oregon Department of Revenue
PO Box 14630
Salem OR 97309-5050
Phone: 503-945-8120
Fax: 503-947-2255  Oregon.gov/dor

**Do licenses need to be renewed and if so, how frequently?**
Licenses do not need to be renewed. However, distributors with an active license must file a return, even if there is no activity in the state.

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**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

Oregon cigarette tax stamps are orange; each stamp has a roll or pad number and a stamp number. The stamps are applied with a stamping machine or heat source. Stamps must be affixed to each individual package of cigarettes. Stamps must be affixed to the bottoms of packages in a manner that is clearly visible to subsequent purchasers. OAR 150-323-1000.

**Section 2 – Acquiring Stamps**

Tax stamp orders are submitted by cigarette distributors electronically through Revenue Online. Orders are then automatically transmitted to Meyercord (DOR’s cigarette stamp manufacturer), who ships orders directly to distributors.

**How are stamps delivered to the wholesaler/distributor?**
DOR pays for 2-day PM delivery (standard) shipping through FedEx. Distributors who select a different delivery option must provide the name of their courier and their courier account number.

**Section 3 - Bond Requirements**

Distributors that choose to defer cigarette tax stamp purchases must have a security deposit in the form of a bond or other approved security in place. The amount of the security cannot be more than 2 times the estimated monthly liability for the distributor.
Section 4 – Allowable Transfers

**Does the state allow the transfer of unaffixed cigarette tax stamps?**
A licensed distributor may sell unaffixed stamps to another person with prior written approval from DOR. See ORS 323.165(1).
DOR may enter into contracts with financial institutions to act as the department’s agent for the sale of stamps and matters relating to the sale of stamps. ORS 323.165(2)

**Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?**
The transfer of unstamped cigarettes between wholesalers/distributors is generally not allowed.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

ORS 323.160 (Tax stamps; rules) and OAR 150-323-0110 (Definition of “Appropriate Stamp”)
OAR 150-323-0230 (refunds (1) where at least 50% of a stamp is affixed; (2) where more than one stamp is affixed; and (3) where stamps are affixed to packaging).

**Does the state allow a tax credit?**
Yes

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Must be at least 50% to qualify for a tax credit. OAR 150-323-0230.

Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

Complete a Claim for Refund of Oregon Cigarette Tax and attach original, signed manufacturer’s “Statement of Returned-Cigarettes” and a copy of the shipping document. Send completed request and required documents to DOR to be processed for a refund.

Section 8 – Other Allowed Credits

Cigarette Distributors may also receive refunds for stamps affixed to packages that have become unfit to use or unsalable or have been destroyed, returned for credit or replaced. ORS 323.320(1) (b). See also OAR 150-323-0230 (Refund Value of Stamps on Unsalable and Misstamped Cigarette Packages and Cartons).
When tobacco products, upon which the tax imposed under ORS 323.500 to 323.645 has been reported and paid, are returned to the manufacturer by the distributor or destroyed by the distributor, credit for tax may be made to the distributor. ORS 323.560.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

A quarterly reconciliation report is filed by the Distributor which would show any discrepancy cigarettes distributed and stamps applied. If the report does not balance, the shortfall may be addressed during an audit. Discrepancies are not automatically adjusted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Only licensed distributors may purchase or possess unaffixed stamps. Stamped and unstamped cigarettes must be segregated.

Pact Act Reporting

PACT Act reports are due by the 10th day of each calendar month. These reports are submitted by mail or email to both DOR & DOJ.
STATE OF PENNSYLVANIA

General Information

Section 1 - Contact Information

Agency:  PA Department of Revenue, Miscellaneous Tax Division
Mailing Address:  PO BOX 280909
City, State, Zip Code:  HARRISBURG PA 17128-0909
Phone Number:  (717)783-9374
Fax Number:  (717)705-8413
Cigarette Email:  RA-RVBTFTCIGTAX@PA.GOV
OTP E-mail Address:  RA-RVBTFTOTP@PA.GOV
Website:  http://www.revenue.pa.gov

Agency:  Pennsylvania Office of Attorney General
Mailing Address:  Strawberry Square
City, State, Zip Code:  Harrisburg, PA 17120
Phone Number:  717-787-3391
Website:  https://www.attorneygeneral.gov/Consumers/Tobacco_Enforcement_Section/

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarettes – Any roll for smoking made wholly or in part of tobacco, the wrapper or cover of which is made of any substance or material other than tobacco regardless of the size or shape of the roll and regardless of whether or not the tobacco is flavored, adulterated or mixed with any other ingredient; or a little cigar.

OTP – Electronic cigarettes, roll-your-own tobacco, perique’s, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, dry snuff, snuff flour, Cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or ingesting or for smoking in a pipe or otherwise, or any combination of chewing, ingesting or smoking.

Section 4 - The Basis for the Tax

Cigarettes – 13 cents per stick = $2.60 per pack of 20 cigarettes/little cigars and $3.25 per pack of 25 cigarettes/little cigars.
Philadelphia Cigarette Tax Rate – 23 cents per stick, $4.60 per pack of 20 cigarettes/little cigars and 5.75 per pack of 25 cigarettes/little cigars

OTP – Smokeless tobacco and roll-your-own/smoking tobacco for units less than 1.2 ounces: $0.66. Smokeless tobacco and roll-your-own/smoking tobacco for ounces 1.2 or greater: $0.55. Electronic cigarettes and electronic cigarette products: 40% of the purchase price from dealer or manufacturer to retailer in this Commonwealth.

Section 5 - Tax Rates and Miscellaneous Fees

See Above.

Section 6 - Rate Updates

We are currently unaware of any upcoming tax rate changes.

Section 7 - State Collection Allowance or Discount

A cigarette stamping agent shall be entitled to a commission for the agent’s services and expenses in affixing cigarette tax stamps. The commission shall be equal to five hundred eighty-six thousandths percent (0.586%) of the total value of Pennsylvania cigarette stamps purchased by the agent from the department or its authorized agents to be used in the stamping of unstamped cigarette for sale within this Commonwealth.
Section 8 - Any Other Permissible Allowances

A refund of any tax imposed by this article shall be made to a person on proof satisfactory to the department, that the claimant:

Paid the tax on cigarettes withdrawn by him from the market.

Shipped cigarettes into another state for sale or use therein under the conditions as provided by the regulations promulgated by the department.
Sold to persons exempt from the tax under the provisions of this article or regulations prescribed thereunder.

Had possession of cigarettes which were lost (otherwise than by theft) or destroyed by fire, casualty or act of God.

Paid the tax in error.

Has no further use for cigarette stamps originally purchased by him.

Section 9 – The Point at Which Tax is imposed

Cigarette Tax – Tax is imposed at the time CSA’s purchase stamps from the Department of Revenue.

Other Tobacco Products – Wholesalers and manufacturers are required to collect tax from retailers or first point of entry into commerce.

Section 10 - Tax Return Due Dates

Please reference link below to obtain cigarette and tobacco products due dates.


If the report due date falls on a weekend or a holiday, the report is due the following business day.

The postmark date is taken into consideration for a timely filed return.
Section 11 – Tax Return Filings

Other Tobacco Products tax returns must be filed electronically. All other OTP and cigarette reports must be filed on paper.

Is there an option for electronic filing? Briefly explain the process.

OTP taxpayers visit e-TIDES, Pennsylvania’s free electronic filing system. www.etides.state.pa.us.

All other reports for monthly filings are found on the Department’s website at www.revenue.pa.gov.

Section 12 – Tax Collection

No, Pennsylvania does not require electronic payments for any cigarette or OTP taxes.

Section 13 - Penalties for Late Filing

Late File Penalty: 5 percent of the tax due for each month or fraction of a month that the period remains unfiled.

Underpayment Penalty: 5 percent of the difference between the amount due and the amount paid. This penalty increases by 5 percent each month or fraction of a month the underpayment isn’t addressed.

Section 14 – Local Jurisdictional Tax

Yes, Philadelphia.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

Out-of-state sales, tobacco products sales to dealers other than a retailer or unclassified importer, sales to veterans’ organizations approved by the Department, sales to voluntary unincorporated organization of military forces personnel, sales to patients in Veterans Administration hospitals by retail dealers located in such hospitals.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

Invoice or delivery ticket.” Any invoice or delivery ticket which shows the true name and complete and exact address of the consignor or seller, the true name and complete and exact address of the consignee or purchaser, the quantity and brands of the cigarettes transported, the correct date of purchase or shipment and the true name and complete and exact address of the person who shall assume the payment of the Pennsylvania State tax or the tax, if any, of the state or foreign country at the point of ultimate destination.

In addition, for other tobacco products the tax must be separately stated on the invoice or sales document.

Section 19 – Responsibility by Agency

MSA Reporting: Pennsylvania Office of Attorney General
Enforcement/Collection: Pennsylvania Department of Revenue, Bureau of Criminal Tax Investigations
Product Seizure Authority: Pennsylvania Department of Revenue, Bureau of Criminal Tax Investigations and Pennsylvania Office of Attorney General

Section 20 – New or Pending Legislation

None noted.

License Information

Cigarette: Other Tobacco Products:
CSA - $1,500 Manufacturer - $1,500
Wholesaler - $500 Wholesaler - $1,500
Retailer - $25 per location Retailer - $25 per location
Vending Operator - $25 per location Vending Operator - $25 per location
All licensees must be tax compliant. Retail locations must have a valid sales tax license.

Do licenses need to be renewed and if so, how frequently?
Yes, annual renewal is required.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Stamps are heat fusion applied upon each package of cigarettes offered for sale to indicate that the cigarette tax authorized by Commonwealth of Pennsylvania law has been paid.
Each stamp shall measure Height – 0.45” and Width – 0.45”.
Each stamp will have a unique two line 9-digit numeric ending with an alphabetic character.
Each stamp shall have a keystone or other symbol with irregular shape and outline as part of the design and shall consist of three ink colors.
Each stamp will have the first line, which indicates the stamp roll. The second line of numbers is the individual stamp number.

The ink colors are as follows:

Outline of the stamp
Background of the stamp
Center portion of the stamp

The current colors of Pa Stamps are Yellow for state and Violet for Philadelphia. These are subject to change per the department’s discretion.

Section 2 – Acquiring Stamps

Cigarette Stamping Agents (CSA’s) must purchase stamps from the Department.

How are stamps delivered to the wholesaler/distributor?
Yes, all CSA’s must provide either a FedEx or UPS account number for shipping purposes.
CSA’s can also opt to pick stamps up directly by coming to the Department of Revenue with proper payment.
Section 3 - Bond Requirements

The department shall by regulation permit a cigarette stamping agency to pay for purchases on a deferred basis, upon the filing of a surety bond, of the type approved by the department, with the department, in an amount deemed sufficient by the department to protect the revenue, said bond to be executed by the cigarette stamping agency as principal and by a corporate surety company, duly authorized to engage in such business in the Commonwealth of Pennsylvania, as surety. In lieu of the bond required by this subsection, the department shall accept other forms of security, such as a line of credit, if the department deems the security sufficient to protect the revenue. The department shall deny deferred purchase plans to any stamping agency in any state where such state denies stamping agencies in Pennsylvania the right to use deferred purchase plans. The department may deny any cigarette stamping agent the right to purchase cigarette tax stamps if the cigarette stamping agent is delinquent in remitting cigarette taxes or fines owed the Commonwealth.

The department shall, upon application, permit a cigarette stamping agency to post a surety bond with the department for fifty per cent of the amount of the tax stamp purchase, provided that the agency has a record of timely payments of the tax for a three-year period prior to application and further provided that the agency files with the department a financial statement that demonstrates assets sufficient to protect the revenues. To preserve the discounted bond arrangement an agency may be required to provide an updated financial statement at the request of the department. If the department determines the cigarette stamping agency's financial condition and the type and amount of security posted by the cigarette stamping agency is insufficient to protect the revenue, the department may require additional security in the type and amount necessary to protect the revenue. If the cigarette stamping agency fails to post the type and amount of security requested within ten days of the mailing date of the request, the department may revoke the cigarette stamping agency's license.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No, under no circumstances shall any cigarette stamping agency be permitted to sell, transfer or deliver to any person any unstamped cigarettes, or any unused cigarette tax stamps unless specifically permitted by the provisions of this article.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Under no circumstances shall any cigarette stamping agency be permitted to sell, transfer or deliver to any person any unstamped cigarettes, or any unused cigarette tax stamps unless specifically permitted by the provisions of this article. Every person other than a common carrier engaged in interstate commerce that shall possess or transport more than two hundred unstamped cigarettes upon the public highways, roads or streets of this Commonwealth, shall be required to have in his possession invoices or delivery tickets for such cigarettes. The invoices or delivery tickets shall show the correct date of purchase or shipment, true name and complete and exact address of the consignor or seller, the true name and complete and exact address of the consignee or purchaser, the quantity and brands of the
cigarettes so transported and the true name and complete and exact address of the person who shall assume the payment of the Pennsylvania State tax or the tax, if any, of the state or foreign country at the point of ultimate destination. If the cigarettes are consigned to or purchased by any person in the Commonwealth of Pennsylvania such consignee or purchaser must be a licensed cigarette stamping agency or otherwise authorized by this article to possess unstamped cigarettes within the boundaries of this Commonwealth. The absence of such invoices or delivery tickets shall be prima facie evidence that the possession of such cigarettes is contrary to the provisions of this article and shall subject the possessor to the penalties imposed herein.

(e) In the absence of such invoices or delivery tickets or, if the name or address of the purchaser or consignor is falsified, or if the purchaser or consignee in this Commonwealth is not authorized to possess unstamped cigarettes then and in that event the cigarettes so transported shall be subject to confiscation at the discretion of the Secretary of Revenue as is more fully described in section 1285.1

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
The department’s policy is 50% of the tax stamp.

Section 6 – Refund Limitations

3 years from the purchase date.

Section 7 – Credit Process for Manufacturer Returns

§ 71.6. Refunds or credits for cigarette tax stamps.
Affixed tax stamps. A refund or credit for cigarette tax stamps purchased by a cigarette stamping agent which have been affixed to packages of cigarettes will be made to the agent upon satisfactory proof presented to the Department that the tax-stamped cigarettes have been withdrawn from the market because they are unsaleable, sold to persons exempt from the tax under the act, or lost or destroyed by fire, casualty or Act of God. A refund or credit will not be granted for cigarette tax paid upon stamped cigarettes that have been stolen.
A cigarette stamping agent’s refund or credit shall be based upon the face value of the stamps, less commissions allowed the cigarette stamping agent under the act.
If the cigarettes are returned to the manufacturer, the cigarette stamping agent shall give to the Department a sworn statement by the manufacturer certifying receipt of the returned cigarettes.
Unaffixed tax stamps. The Department may issue a refund or a credit to present or former cigarette stamping agents for previously-purchased, unaffixed tax stamps when the Department
deems a refund or credit appropriate such as when a cigarette stamping agent is no longer qualified to affix tax stamps, when a cigarette stamping agent is in liquidation, when a cigarette stamping agent possesses damaged tax stamps that are unfit for use or when a cigarette stamping agent possesses stamps that have been superseded by stamps of a newer design or denomination. The Department will issue a refund or credit for unaffixed tax stamps for the actual amount of cigarette tax paid for the stamps if satisfactory proof is presented to the Department within the time permitted under section 1253 of the act (72 P. S. § 8253). A claim for a refund or credit may not be filed when cigarette tax stamps have not been paid for in full. The Department will determine whether the cigarette stamping agent is entitled to either a refund or credit and the method of payment. Unaffixed stamps shall accompany the claim, which shall be sent to the Department by registered mail or other method approved by the Department.

**Section 8 – Other Allowed Credits**

Credits for OTP on returned goods are deducted from the total taxable sales for the current reporting period.

**Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory**

The Department requires monthly reporting of beginning and ending stamp inventories. An audit is performed to determine if additional money is owed to the Department.

- REV-1030, Resident Stamp Affixing Monthly Report
- REV-1036 – Non-Resident Stamp Affixing Monthly Report

**Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements**

None noted.

**Pact Act Reporting**

Monthly reporting requirements: On or before the 10th day of each calendar month, any person who sells, transfers, ships, advertises or offers for sale cigarettes or smokeless tobacco in interstate commerce must file with the tobacco tax administrator of the state into which the shipment is made, a memorandum or a copy of the invoice covering each and every shipment of cigarettes or smokeless tobacco made during the previous calendar month into the state. PACT reporting forms, Cigarette Sales Report (REV-1163) and Tobacco Sales Report (REV 1164) are available on our website, www.revenue.state.pa.us REV-1163 and REV-1164 are forms for reporting shipments made into Pennsylvania only.
STATE OF RHODE ISLAND

General Information

Section 1 - Contact Information

Contact Name: Theriza Salib-Iafrate
Agency: DOR
Mailing Address: One Capitol Hill
City, State, Zip Code: Providence RI 02908
Phone Number: (401) 574-8934
Fax Number: (401) 574-8914
E-mail Address: theriza.iafrate@tax.ri.gov
Website: Tax.excise@tax.ri.gov

Contact Name: Maria Lenz
Agency: AGO/DOJ
Mailing Address: One Capitol Hill
City, State, Zip Code: Providence, Rhode Island 02903
Phone Number: (401) 274-4400 Ext: 2225
Fax Number: (401) 574-8914
E-mail Address: marialenz@riag.ri.gov
Website: www.riag.ri.gov
Section 2 - Statutes, Regulations and Rules

No response received from state.

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

“Cigarettes” means and includes any cigarettes suitable for smoking in cigarette form, and each sheet of cigarette rolling paper; (R.I.G.L 44-20-1)

“Other Tobacco Product/s” (OTP) means any cigars (excluding Little Cigars which are subject to cigarette tax), cheroos, stogies, smoking tobacco (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco suitable for smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug, scrap and any other kinds and forms of tobacco suitable for chewing), any and all forms of hookah and shisha tobacco, snuff, and shall include any other articles or products made of tobacco or any substitute therefore, except cigarettes; (RI Regulation OTP 14-01)

Section 4 - The Basis for the Tax

Cigarettes are tax per stick. OTP is tax based on the wholesale cost which means:

In the case of a Manufacturer of Other Tobacco Products, the price set for such products or, if no price has been set, the wholesale value of such products;

In the case of a Distributor, the price at which the Distributor purchases Other Tobacco Products before the allowance of any discounts, trade allowances, rebate or other reduction;

In the case of a Dealer of Other Tobacco Products, the invoice price to the Dealer.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarette tax is based on 187.5 mills per stick or 3.75 per 20 pack.

OTP- At the rate of eighty percent (80%) of the wholesale cost of cigars, pipe tobacco products and smokeless tobacco other than snuff.

In the case of cigars, the tax shall not exceed fifty cents ($0.50) for each cigar.
At the rate of one dollar ($1.00) per ounce of snuff, and a proportionate tax at the like rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net weight as listed by the manufacturer, provided, however, that any product listed by the manufacturer as having a net weight of less than 1.2 ounces shall be taxed as if the product has a net weight of 1.2 ounces.
Section 6 - Rate Updates

The rate for Cigarettes may increase to 4.00 per pack of 20 effective August 1, 2017 if the law passes.

Section 7 - State Collection Allowance or Discount

A discount of 1.25% is given to Licensed Cigarette Distributors who buy Cigarette stamps.

Section 8 - Any Other Permissible Allowances

No other credit given.

Section 9 – The Point at Which Tax is imposed

Examples – At the time of sale, when the stamp is applied, when the product is brought into the state, etc. Cigarette tax along with a prepaid sales tax is due at the time it is purchased by the licensed Cigarette Distributor. The Cigarettes are sold to the consumer, the additional sales is due. The OTP tax is due when the product enters the state.

Section 10 - Tax Return Due Dates

No response received from state.

Section 11 – Tax Return Filings

All returns are currently required to be filed by paper.

Section 12 – Tax Collection

There is an option to pay electrically. Payment must be paid before 4 pm in order to be considered timely.

Section 13 - Penalties for Late Filing

10% penalty of the tax due if payment if filed late and 18% per year interest rate.
Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes.

Section 16 – Qualifying Exemptions

Sales to the Federal Government.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

Each manufacturer, importer, distributor and dealer shall maintain copies of invoices or equivalent documentation for, or itemized for, each of its facilities for each transaction (other than a retail transaction with a consumer) involving the sale, purchase, transfer, consignment, or receipt of cigarettes. The invoices or documentation shall show the name and address of the other party and the quantity by brand style of the cigarettes involved in the transaction.

Section 19 – Responsibility by Agency

MSA Reporting: RI Attorney General
Enforcement/Collection: RI Division of taxation
Product Seizure Authority: RI Division of taxation

Section 20 – New or Pending Legislation

None noted.
License Information

Rhode Island issues different license for Cigarettes and Other Tobacco products. A Cigarette Distributor can apply for a Class A (Affixing Distributor) for $1,000.00/year or a Class B (Non-Affixing Distributor) for $100.00 a year. There is only one license for an Other Tobacco Products Distributor. Any retailer of Cigarettes or Other Tobacco Products is required cigarette permit for 25.00 a year. The application can be found at http://www.tax.ri.gov/taxforms/sales_excise/cigarette.php and http://www.tax.ri.gov/taxforms/sales_excise/tobacco.php

Do licenses need to be renewed and if so, how frequently?
Yes, annually.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Numbered and Colored.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
TP can either pick them up in person or shipped by UPS.

Section 3 - Bond Requirements

Bond is not required unless the TP is located out of state or wishes to by the stamp orders on credit.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Yes, per Rhode Island General Law 44-20-22.

Section 6 – Refund Limitations

Taxpayers have 3 years to request a refund from the date the stamp was purchased.

Section 7 – Credit Process for Manufacturer Returns

TP must receive a notarized letter in order to apply for a refund with Rhode Island.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

None noted.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

Via email or paper return.
STATE OF SOUTH CAROLINA

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF SOUTH DAKOTA

General Information

Section 1 - Contact Information

Contact Name: Rebecca Piroutek
Agency: Department of Revenue
Mailing Address: 445 E Capitol
City, State, Zip Code: Pierre SD 57501
Phone Number: (605) 773-7804
Fax Number: (605) 773-6725
E-mail Address: Rebecca.Piroutek@state.sd.us
Website: http://dor.sd.gov

Contact Name: Sally Staufer
Agency: Department of Revenue
Mailing Address: 1302 E Hwy 14 Suite 1
City, State, Zip Code: Pierre SD 57501
Phone Number: (605) 773-7805
Fax Number: (605) 773-4106
E-mail Address: Sally.Staufer@state.sd.us
Website: http://dor.sd.gov
Contact Name: Jeromy Pankratz
Agency: Department of Revenue
Mailing Address: 1302 E Hwy 14 Suite 1
City, State, Zip Code: Pierre SD 57501
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Fax Number: (605) 773-4106
E-mail Address: Jeremy.Pankratz@state.sd.us
Website: http://atg.sd.gov/

Section 2 - Statutes, Regulations and Rules

http://dor.sd.gov/Taxes/Special_Taxes/Tobacco/General_Information.aspx
http://www.sdlegislature.gov/Statutes/Codified_Laws.aspx 10-50 and 1050B

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

SDCL 37-10-1(2) "Cigarettes," any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, the wrapper or cover which is made of paper or any other substance or material, excepting tobacco

SDCL 10-50-1(8) "Tobacco products," cigars, snuff, chewing tobacco, and any other products made up or composed of tobacco in whole or in part, except cigarettes.

Section 4 - The Basis for the Tax

SDCL 10-50-3. Tax imposed on cigarettes held for sale--Rates of tax. A tax is imposed, whether or not a sale occurs, at the following rates on all cigarettes held in this state for sale by any person:

Class A, on cigarettes weighing not more than three pounds per thousand, seventy-six and one-half mills on each cigarette.

Class B, on cigarettes weighing more than three pounds per thousand, seventy-six and one-half mills on each cigarette.
SDCL 10-50-61. Wholesale tax on tobacco products--Credit for tax paid. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a sale occurs, a tax upon all tobacco products in this state and upon any person engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate of thirty-five percent of the wholesale purchase price of such tobacco products. Such tax shall be imposed at the time the distributor or wholesaler brings or causes to be brought into this state tobacco products for sale; makes, manufactures, or fabricates tobacco products in this state for sale in this state; or ships or transports tobacco products to dealers in this state to be sold by those dealers. For the purposes of this chapter, wholesale purchase price is the price for which a manufacturer sells tobacco products to a licensed distributor or licensed wholesaler exclusive of any discount or other reduction.

Section 5 - Tax Rates and Miscellaneous Fees

SDCL 10-50-3. Tax imposed on cigarettes held for sale--Rates of tax. A tax is imposed, whether or not a sale occurs, at the following rates on all cigarettes held in this state for sale by any person:

Class A, on cigarettes weighing not more than three pounds per thousand, seventy-six and one-half mills on each cigarette.

Class B, on cigarettes weighing more than three pounds per thousand, seventy-six and one-half mills on each cigarette.

SDCL 10-50-59. Recovery of cigarette stamp costs--Deposit of funds. In addition to the taxes and fees imposed by this chapter, the secretary of revenue may recover the cost of any stamps or other indicia that are required to be affixed to packages of cigarettes from those licensees affixing said stamps or indicia. The amount so recovered shall be deposited into the cigarette stamp purchasing fund and all money in the fund is continuously appropriated to the Department of Revenue to be used to purchase stamps or other indicia.

SDCL 10-50-61. Wholesale tax on tobacco products--Credit for tax paid. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a sale occurs, a tax upon all tobacco products in this state and upon any person engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate of thirty-five percent of the wholesale purchase price of such tobacco products. Such tax shall be imposed at the time the distributor or wholesaler brings or causes to be brought into this state tobacco products for sale; makes, manufactures, or fabricates tobacco products in this state for sale in this state; or ships or transports tobacco products to dealers in this state to be sold by those dealers. For the purposes of this chapter, wholesale purchase price is the price for which a manufacturer sells tobacco products to a licensed distributor or licensed wholesaler exclusive of any discount or other reduction.
Section 6 - Rate Updates

Currently there is a proposal to put a tax increase on the ballot.

Section 7 - State Collection Allowance or Discount

SDCL 10-50-18. Stamps secured and sold by secretary--Discount. The secretary of revenue shall secure stamps, of the design and denomination as the secretary prescribes, suitable to be affixed to packages of cigarettes as evidence of the payment of the tax imposed by this chapter. The secretary shall sell the stamps to licensed distributors at a discount of one percent of their face value and to no other person.

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

SDCL 10-50-4. Stamps affixed to evidence tax payment--Samples excepted. The payment of the tax imposed by § 10-50-3 shall be evidenced by the affixing of stamps to the packages containing the cigarettes as provided by this chapter. However, for cigarettes offered by manufacturers for gratis distribution as samples, the stamps are not required to be affixed to sample packages if the manufacturer of the cigarette reports and pays the tax directly to the state tax authority.

SDCL 10-50-61. Wholesale tax on tobacco products--Credit for tax paid. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a sale occurs, a tax upon all tobacco products in this state and upon any person engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate of thirty-five percent of the wholesale purchase price of such tobacco products. Such tax shall be imposed at the time the distributor or wholesaler brings or causes to be brought into this state tobacco products for sale; makes, manufactures, or fabricates tobacco products in this state for sale in this state; or ships or transports tobacco products to dealers in this state to be sold by those dealers.

Section 10 - Tax Return Due Dates

SDCL 10-50-39. Monthly reports by distributors--Contents and time of filing. On or before the fifteenth day of each month each distributor shall render to the secretary of revenue a verified report of all sales and deliveries on forms prescribed by the secretary, showing the quantity of cigarettes sold or delivered in this state during the preceding calendar month, the amount of
stamps purchased and used during such period of time and the amount of stamps on hand at the end of the reporting period and such other information as the secretary shall require.

SDCL 10-50-63. Deadline for reporting and remitting wholesale tobacco tax--Penalty--Credit or refund for destroyed unfit tobacco. On or before the fifteenth day of each calendar month, each person required to pay the tax imposed by § 10-50-61 shall report, on forms prescribed by the secretary, the amount and type of tobacco products manufactured or brought into this state during the month preceding the month in which the report is made, the source of those tobacco products, and the wholesale purchase price of those tobacco products. The person shall remit the tax due on those tobacco products with the filing of the form. Any person who fails to timely file the form and pay the tax in this section may be subject to penalty and interest as prescribed in § 10-59-6. Any person seeking to recover overpayment of the tax imposed in § 10-50-61, may do so in the manner prescribed in §§ 10-59-19, 10-59-20, 10-59-21, 10-59-22, 10-59-23, and 10-59-24. The secretary may secure the payment of any unpaid tax in the same manner as prescribed in chapter 10-59. If any taxpayer destroys tobacco products upon which the tax imposed by § 10-50-61 or 10-50-62 has been paid because of unfitness for sale, a credit or refund in the amount of the tax paid on those products shall be granted as prescribed in this section for the overpayment of tax.

The postmark date would indicate a timely filed return.

**Section 11 – Tax Return Filings**

Currently all Cigarette and OTP returns are paper filed. South Dakota DOR is working on an electronic filing system.

**Section 12 – Tax Collection**

Not at this time.

**Section 13 - Penalties for Late Filing**

SDCL 10-50-63. ... The person shall remit the tax due on those tobacco products with the filing of the form. Any person who fails to timely file the form and pay the tax in this section may be subject to penalty and interest as prescribed in § 10-59-6... Penalty is 10% of the tax.

**Section 14 – Local Jurisdictional Tax**

None noted.
Section 15 - Floor Stock Tax

Varies.

Section 16 – Qualifying Exemptions

Out-of-state sales would be exempt from South Dakota tobacco taxes.

Section 17 - Laws or Rules for Tribal Sales

Tribal sales are defined in the tax agreement with each tribe. The forms required to be submitted for selling to tribal retailers can be found at

http://dor.sd.gov/Taxes/Special_Taxes/Forms/Cigarette_Tobacco.aspx

Section 18 - Information Required on a Customer Invoice

South Dakota does not have a statute requiring specific information on the customer invoice.

Section 19 – Responsibility by Agency

MSA Reporting: South Dakota Department of Revenue and South Dakota Attorney General
Enforcement/Collection: South Dakota Department of Revenue and South Dakota Attorney General
Product Seizure Authority: South Dakota Department of Revenue

Section 20 – New or Pending Legislation

None noted.
License Information

Do licenses need to be renewed and if so, how frequently?
SDCL10-50-9. License required of distributors and wholesalers--Registration required of retailers--Separate license or registration for each outlet--Violation as petty offense. Each person, except a retailer, engaging in the business of selling cigarettes or tobacco products in this state, including any distributor or wholesaler, shall secure a license therefore from the secretary of revenue. A separate application and license is required for each wholesale outlet if a person owns or controls more than one place of business dealing in cigarettes or tobacco products. Each person selling cigarettes or tobacco products at retail shall register with the Department of Revenue. A separate registration is required for each retail outlet operated within the state. No fee may be charged for this registration.

SDCL 10-50-11. Fee for distributor or wholesaler license--Reduced fee for part of year. Each application for a distributor or wholesaler license shall be accompanied by a fee of one hundred fifty dollars. If the applicant for a license has not entered upon the business of selling cigarettes or tobacco products until after the first day of January in any year, then the fee for a license during the remainder of the fiscal year is one-half the amount set forth in this section.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Stamps for 20 count packages are lilac and 25 count packages have a pink tax stamp. The stamps are numbered and heat applied.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
The distributor completes a Cigarette Stamp Order Form.

http://dor.sd.gov/Taxes/Special_Taxes/Forms/Cigarette_Tobacco.aspx

The stamps are then mailed. If the distributor wants them sent FedEx or UPS they need to pay the additional shipping charges.
Section 3 - Bond Requirements

SDCL 10-50-19. Payment for stamps after purchase—Bond or depository agreement required. The secretary of revenue may, in his discretion, permit a licensed distributor to pay for such stamps within thirty days after the date of purchase, provided a bond satisfactory to the secretary of revenue in an amount not less than the sale price of such stamps shall have been filed with the secretary conditioned upon payment for such stamps or upon a satisfactory depository agreement between the secretary of revenue and such licensed distributor, provided for a deposit of money or security in a depository to be named, such agreement conditioned upon payment for such stamps.

SDCL 10-50-26. Bond or depository agreement required of authorized nonresident—Duration of bond or agreement. The secretary of revenue shall require bond of such nonresident person, satisfactory to the secretary of revenue, in an amount not to exceed ten thousand dollars, which said bond shall be filed with the secretary of revenue conditioned upon the payment of the tax in compliance with such other requirements as the secretary of revenue may specify. Such bond shall be issued by a surety company licensed to do business in this state, and shall be in full force and effect for a period of one year and a day after the expiration of the bond, and until or unless a certificate be issued by the secretary of revenue to the effect that all taxes due to the state under this chapter have been paid. In the discretion of the secretary of revenue, a depository agreement may be accepted by the secretary of revenue in lieu of such surety bond, which said depository agreement shall be upon the same conditions as the bond above referred to, and shall be in full force and effect for one year and a day and until or unless a certificate be issued by the secretary of revenue to the effect that all taxes due to the state under this chapter have been paid.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
SDCL 10-50-20. Resale of stamps prohibited—Redemption of unused and uncanceled stamps. No distributor shall sell or transfer any stamps issued under the provisions of this chapter. The secretary of revenue shall redeem any unused, uncanceled stamps presented by any licensed distributor at a price equal to ninety-five percent of their face value.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
A distributor may not transfer any unstamped cigarettes to a wholesaler.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
SDCL 10-50-20.1. Refund for stamped cigarettes destroyed by distributor. Whenever a distributor destroys cigarettes accidentally or intentionally because of staleness or other unfitness for sale which have been stamped as provided in this chapter, a credit or refund shall be given to the distributor at a price equal to ninety-five percent of the face value of the
stamps upon proof of loss presented to the department within one year after the destruction of the stamped cigarettes if loss is established to the satisfaction of the Department of Revenue.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
South Dakota has no statute requiring a percentage of an applied tax stamp to be a valid stamp.

Section 6 – Refund Limitations

SDCL 10-50-20.1. Refund for stamped cigarettes destroyed by distributor. Whenever a distributor destroys cigarettes accidentally or intentionally because of staleness or other unfitness for sale which have been stamped as provided in this chapter, a credit or refund shall be given to the distributor at a price equal to ninety-five percent of the face value of the stamps upon proof of loss presented to the department within one year after the destruction of the stamped cigarettes if loss is established to the satisfaction of the Department of Revenue.

Section 7 – Credit Process for Manufacturer Returns

SDCL 10-50-20.1. Refund for stamped cigarettes destroyed by distributor. Whenever a distributor destroys cigarettes accidentally or intentionally because of staleness or other unfitness for sale which have been stamped as provided in this chapter, a credit or refund shall be given to the distributor at a price equal to ninety-five percent of the face value of the stamps upon proof of loss presented to the department within one year after the destruction of the stamped cigarettes if loss is established to the satisfaction of the Department of Revenue.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

There is a reporting form and discrepancies of over 100 stamps require an explanation.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.
Pact Act Reporting

PACT Act reporting is paper, cd or filed via email
STATE OF TENNESSEE

General Information

Section 1 - Contact Information

Agency:  Tobacco Desk Audit

Mailing Address:  PO Box 190644

City, State, Zip Code:  Nashville, TN 37219-0644

Phone Number:  (615) 741-9300 or (855) 286-7423

Fax Number:  (615) 253-8343

E-mail Address:  Resale.Data@tn.gov

Website:  www.TN.gov/revenue

Agency:  Miscellaneous Tax Division, Andrew Jackson Building 8th Floor

Mailing Address:  500 Deaderick Street

City, State, Zip Code:  Nashville, TN 37242

Phone Number:  (615) 253-0600 or (800) 342-1003

E-mail Address:  tobacco.tax@tn.gov

Website:  www.TN.gov/revenue

Agency:  Revenue Section, Tobacco Enforcement Division, Office of the Attorney General and Reporter

Mailing Address:  P.O. Box 20207

City, State, Zip Code:  Nashville, TN 37202

Phone Number:  (615) 741-3491

Fax Number:  (615) 741-3284
Website: http://www.tn.gov/attorneygeneral/

Section 2 - Statutes, Regulations and Rules

Tennessee Code Annotated

http://www.lexisnexis.com/hottopics/tncode/

T.C.A. § 47-25-301 et seq. – Title 47 Commercial Instruments and Transactions, Chapter 25 Trade Practices, Part 3 Unfair Cigarette Sales

T.C.A. § 47-31-1 et seq. - Title 47 Commercial Instruments and Transactions, Chapter 31 Tobacco Manufacturers’ Escrow Fund

T.C.A. § 67-4-1001 et seq. - Title 67 Taxes and Licenses, Chapter 4 Privilege and Excise Taxes, Part 10 Tobacco Tax Law

T.C.A. § 67-4-2601 et seq. - Title 67 Taxes and Licenses, Chapter 4 Privilege and Excise Taxes, Part 26 Tobacco Settlement Funds

Rules and Regulations of Dept. of Revenue Misc. Tax Division

http://share.tn.gov/sos/rules/1320/1320-04/1320-04-03.pdf

R.R. 1320-4-3 et seq. – Rules of Department of Revenue Miscellaneous Tax Division, Chapter 1320-4-3 Unfair Cigarette Sales Law and Tobacco Tax Rules

Tobacco Tax Important Notices

Under Tobacco Taxes on our website and at http://tn.gov/revenue/article/tobacco-tax-important-notices

Tobacco Tax Rulings

Under Tobacco Taxes on our website and at http://tn.gov/revenue/article/tobacco-tax-rulings

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigar – any roll of tobacco, for smoking, irrespective of the tobacco being flavored or adulterated, or mixed with other ingredients, where such a roll has a wrapper made chiefly of tobacco, except “cigar” or “cigars” does not include rolls of tobacco for smoking defined in this section as “cigarettes” – T.C.A. § 67-4-1001

Tennessee has 2 different definitions of cigarette. One is in Title 47 for use in the Tobacco Manufacturer’s Escrow Fund and the second is in Title 67 for use in the Tobacco Tax Law.

Cigarette in Title 47– any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains: (I) any roll of tobacco wrapped in a paper or in any substance not containing tobacco; (ii) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or (iii) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (4)(A)(I) – T.C.A. § 47-31-102
Loose Tobacco – tobacco that is not contained in rolls or tubes and that has been removed from its original packaging – T.C.A. § 67-4-1001

Other Tobacco Products – any product containing tobacco or tobacco substitute that does not meet the definition of a “cigarette”

Roll-Your-Own - includes “roll-your-own” (i.e., any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes). For purposes of this definition of “cigarette,” 0.09 ounces, of “roll-your-own” tobacco constitutes one (1) individual “cigarette” – T.C.A. § 47-31-102

Tobacco Products – cigars, cigarettes, manufactured tobacco and snuff, but not tobacco produced and processed by the grower for the grower’s own use and not for sale - – T.C.A. § 67-4-1001

Section 4 - The Basis for the Tax

Cigarette Rate - $0.62 per pack of 20 cigarettes or $0.62 per pack of 20 or less little cigars that meet the definition of “cigarette” for Tobacco Tax purposes.

Effective January 1, 2017, the Tennessee Department of Revenue will no longer stock cigarette stamps for packages of 25 cigarettes or offer the ability to report transactions involving such stamps on the Tobacco Tax return.

“Cigarette” is defined as:
All rolled, shredded, or cut tobacco, or any substitute therefore, wrapped in paper, or substitute therefore, and
All rolled, shredded or cut tobacco, or any substitute therefore, wrapped in homogenized tobacco wrapper, and:

Being within customary cigarette sizes and
Marketed in cigarette type packages

Other Tobacco Products (OTP) and Roll-Your-Own (RYO) Tobacco Rate – 6.6% of the wholesale cost price.

“Other Tobacco Products” means all tobacco products excluding cigarettes and little/filtered/small cigars that meet the definition of “cigarette” for tax purposes; the rate on all OTP, including, but limit to, cigars, cheroots, stogies, manufactured tobacco and snuff of all descriptions whether made of tobacco or any substitute for tobacco.

“Wholesale cost price” means that total purchase price paid by a wholesale dealer and jobber, including but not limited to federal taxes and fees for any tobacco product, delivered to Tennessee dealers, exclusive of any discounts, rebates, allowances, or the privilege tax imposed by this part.
In-State Wholesalers: Tobacco Tax is due on purchases.

Out-of-State Wholesalers: Tobacco Tax is due on sales.

Little/Filtered/Small Cigars can either 1) meet the definition of “cigarettes” and are required to have a cigarette tax stamp affixed to each package; or 2) do NOT meet the definition of “cigarettes” and are subject to 6.6% tax of the wholesale cost price.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarette Tax Rate - $0.62 per pack of 20 cigarettes or $0.62 per pack of 20 or less little cigars that meet the definition of “cigarette” for Tobacco Tax purposes.

Other Tobacco Product and Roll-Your-Own Tobacco Tax Rate – 6.6% of the wholesale cost price.

Enforcement and administration fee (Unfair Cigarette Sales Enforcement Fee) 0.05¢ per pack/stamp; this is reported and due when ordering stamps under the Tobacco Stamp account (TSP) and not reported on the monthly Tennessee Tobacco Tax Return under the Tobacco Tax account (TOB).

Section 6 - Rate Updates

No new rate updates.

Section 7 - State Collection Allowance or Discount

For the purpose of compensating the dealer or distributor of tobacco products other than cigarettes in accounting for and remitting the tax and for the risk of loss and other expenses involved, the dealer shall be allowed two percent (2%) of the tax as the dealer’s compensation, if the tax is not delinquent or deficient when paid. T.C.A. § 67-4-1009 (a)

This compensation does not apply to the Unfair Cigarette Sales Enforcement Fee.

Section 8 - Any Other Permissible Allowances

None noted. However, a refund may be requested for eligible bad debt credit per T.C.A. § 67-4-1030 and should be requested through TNTAP.
Section 9 – The Point at Which Tax is imposed

Cigarettes – tax imposed at the point when the stamp is affixed and reported for that period.

OTP and RYO – 1) In-state: tax imposed on purchases made within a filing period and 2) Out-of-state: tax imposed on sales made within a filing period.

Section 10 - Tax Return Due Dates

Tobacco Tax Return is due monthly on the 15th. For more information about Tennessee Tobacco Tax, please visit http://tn.gov/revenue/topic/tobacco-taxes.

Licensed Distributor Report (LDR) is due monthly on the 15th. For more information about the LDR, please visit http://tn.gov/revenue/article/tobacco-taxes-licensed-distributor-report.

PACT Act Report is due the 10th day of the month for previous month’s shipments. For more information about e-filing the PACT Act report, please visit http://tn.gov/revenue/article/pact-act-report-new-electronic-filing.

Retail Accountability Program (RAP) Report may be filing monthly or quarterly and is due on the 25th of the month following the reporting period. For example, for a monthly filing, an October report would be due on November 25. For quarterly filings, a report that covers October, November, and December would be due on January 25th. For more information about RAP, please visit http://tn.gov/revenue/article/retail-accountability-program-information-for-wholesalers.

If the due date falls on a holiday or weekend, returns and informational reports will be due on the next following business day by 11:59 PM (Central Time). A timely return and report must be received by the Department of Revenue on or before the due date.

Section 11 – Tax Return Filings

Tobacco Tax Returns, Licensed Distributor Reports (LDRs), and Retail Accountability Program (RAP) Reports must be filed on our self-service tax filing website called, Tennessee Taxpayer Access Point, or TNTAP https://tntap.tn.gov/eservices/. For information about registering and using TNTAP, please visit http://www.tntapinfo.com/.

PACT Act Reports can now be filed on TNTAP as well. For more information on the new electronic filing layout, please visit http://tn.gov/revenue/article/pact-act-report-new-electronic-filing.

Section 12 – Tax Collection
All payments for Tobacco Tax should be made electronically on TNTAP; payments can be made with or without logging into TNTAP. Payment is due 11:59 PM (Central Time) on the due date. For information about making payments on TNTAP, please visit http://revenue.support.tn.gov/hc/en-us/sections/115000336146-TNTAP-Payments.

Section 13 - Penalties for Late Filing

Tobacco Tax Return and Payment – If the return is filed and/or the tax is paid after the due date, penalty charges will be assessed. The penalty rate is 5% of the tax due for each 30-day period or portion of a 30-day period the return and/or payment are delinquent. The maximum penalty amount 25% of the tax due; the minimum penalty is $15.

Licensed Distributor Report (LDR) – If the report is filed after the due date and/or inaccurate information is submitted, penalty charges will be assessed. For each untimely and/or inaccurate report, the Department may impose a penalty of no more than $100 per day.

Retail Accountability Program Report – If the report is filed after the due date, the Department may impose a penalty $1,000 per month and up to $10,000.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

None noted.

Section 16 – Qualifying Exemptions

After receiving authorization from the Commissioner of Revenue, tobacco products sold to armed forces installation and veterans administration hospitals, were such products are sold only to patients registered and admitted to veterans administration hospitals, are exempt from Tobacco Tax. T.C.A. § 67-4-1019(d) (1)

Tenn. Comp. R. & Reg. 1320-4-3-.04(5) http://share.tn.gov/sos/rules/1320/1320-04/1320-04-03.pdf clarifies the requirements of such sales.

Section 17 - Laws or Rules for Tribal Sales

None noted.
Section 18 - Information Required on a Customer Invoice

No requirements under statutes.

Section 19 – Responsibility by Agency

MSA Reporting: Office of the Attorney General and Reporter
Enforcement/Collection: Office of the Attorney General and Reporter, Tennessee Department of Revenue
Product Seizure Authority: Tennessee Department of Revenue

Section 20 – New or Pending Legislation

None noted.

License Information

Do licenses need to be renewed and if so, how frequently?
If you sell, distribute, or handle cigarettes or other tobacco products at the wholesale level (i.e., not as a retailer selling to the consumer), regardless of whether you are subject to the tobacco tax or not, you must obtain a license to do so in Tennessee.

Licenses expire on May 31 of each year and must be renewed prior to that date. Registration or renewals are made online through TNTAP.

License available in Tennessee:

**Tobacco Distributor - $100** for each wholesale location where tobacco products are received or ordered for delivery to someone other than the ultimate consumer. If you receive, purchase, or sell tobacco products as a secondary wholesaler and acquire only pre-stamped cigarettes and/or other tobacco products on which the tax has been previously paid, but do not sell to the ultimate consumer, you need a Tobacco Distributor’s license.

**Wholesale Dealer and Jobber - $200** for each separate warehouse. If you maintain wholesale facilities in one or more permanent locations; if you are in the business of receiving, storing, purchasing, selling at wholesale, importing unstamped tobacco products, or otherwise handling tobacco products for resale at a wholesale price; and if you sell only to other licensed wholesalers and distributors or retailers but not to the ultimate consumer, you need a Wholesale Dealer & Jobber license. This license requires a minimum $2,000 bond.
Manufacturing Distributor - $200 for each plant or processing location. If you are engaged in the business of manufacturing or processing consumable tobacco products and you have a manufacturing plant located in this state, you need a Manufacturing Distributor license. This license requires a minimum $2,000 bond.

Tobacco Manufacturer’s Warehouse - $200 for each storage warehouse. If you are a manufacturer with a warehouse, building, or structure maintained separately from your manufacturing operation where you store tobacco products for distribution, and where you retail title to and control of distribution of such tobacco products, you need a Tobacco Manufacturer’s Warehouse license. This license requires a minimum $20,000 bond.

Cigarette Rolling Machine Operator - $500 for each cigarette rolling machine. If you control, possess, or maintain a cigarette rolling machine at a retail establishment that enables any person to process tobacco into a roll or a tube, you need a Cigarette Rolling Machine Operator license. “Cigarette Rolling Machine” means a machine at a retail establishment that enables any person to process at that establishment tobacco into a roll or tube. A copy of your tobacco product manufacturer’s permit, issued by the TTB, must be submitted with this application.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Tax stamps are light blue and numbered. Heat-applied tax stamps can be purchased in rolls of 7,200 and 30,000; tax stamp stickers can be purchased in packets of 1,500.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor? Licensed Tennessee wholesale dealer and jobber or manufacturing distributors may be appointed as a licensed stamp affixing agent and is given a 10-digit Tobacco Stamp account ending with TSP. Tobacco tax stamps are ordered and paid through TNTAP and can either be delivered or picked up. If delivery is your preferred method, you must have a FedEx account on file with the Department of Revenue. Tennessee tobacco tax stamps can only be purchased from the Tennessee Department of Revenue.

Section 3 - Bond Requirements

Purchases on Credit – Bonds approved by the Commissioner of Revenue must be on file in the Department of Revenue prior to selling stamps to purchaser on credit. Remittance must be made
on or before the 25th day of each month including Sundays and holidays. Penalty at the rate of 5% for each 30 days or fraction thereof, and interest at the current annual rate will be computed on any tax not paid by the due date.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
Only licensed affixing agents may purchase Tennessee cigarette tax stamps from the Department of Revenue and stamps must be purchased from the DOR only; agents are not authorized to sell or transfer unaffixed cigarette tax stamps.

Transfers of unaffixed cigarette tax stamps are allowed only between agents within the same entity; multiple agents within the same agency share a single Tobacco Stamp account.

Distributors are NOT allowed to handle unstamped cigarettes or unaffixed cigarette tax stamps.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?

Disallowed Unstamped Cigarette Transfers
  Transfers made between wholesalers within the state of Tennessee.
  Transfers made from an out-of-state Tennessee licensed wholesaler to an in-state wholesaler who does NOT stamp the cigarettes immediately and intends to sell the unstamped cigarettes.
  Transfers made from an in-state wholesaler to an out-of-state wholesaler, whether Tennessee licensed or not, who does NOT stamp the cigarettes immediately and intends to resell the unstamped cigarettes.

Allowed Unstamped Cigarette Transfers
  Transfers made from an out-of-state wholesaler, whether Tennessee licensed or not, to an in-state wholesaler who stamps the cigarettes immediately.
  Transfers made from an in-state wholesaler to an out-of-state wholesaler, whether Tennessee licensed or not, who stamps the cigarettes immediately.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Tax credit may be received for damaged cigarette tax stamps as long as at least 50% of the stamp is showing.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
Credits can only be obtained by the company or individual who purchased the stamps. This tax credit is not reported on the Tobacco Tax return.
Section 6 – Refund Limitations

Must submit a written claim with the number cigarette tax stamps being returned to the Department, the cigarette tax stamps must be unused or mutilated but identifiable, and stamps must have been purchased within a two (2) year period. R.R. 1320-4-3-.08. Once credit and/or refund are received, the number of credited/refunded stamps is reported on Schedule C, Line 4, and Authorized stamp adjustment within that monthly period.

Section 7 – Credit Process for Manufacturer Returns

A credit for affixed stamps, any unused or unsalable packs to which stamps were affixed and returned to manufacturer, can be requested only when an affidavit is received from the manufacturer and then the affidavit and a written claim are submitted to the Department.

Section 8 – Other Allowed Credits

A credit for tax-paid OTP and/or RYO returned to the manufacturer can be requested only when an affidavit is received from the manufacturer and then the affidavit and a written claim are submitted to the Department.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Both cigarette and little cigar pack inventory and tax stamp inventory are required to be reported on the Tobacco Tax return; tobacco tax due on cigarettes is calculated for each schedule and reconciled on Lines 1-3 of the return.

If a discrepancy results between the inventories and stamp usage (Schedule C) is greater than the amount of packs stamped (Schedule A or B), then no tobacco tax is due or credited. Zero is reported on Line 3. *Please note that refunds/credits for cigarette tax stamps are requested through TNTAP differently and not reported on the Tobacco Tax return.

If a discrepancy results between the inventories and stamp usage (Schedule C) is less than the amount of packs stamped (Schedule A or B), then the difference of tobacco tax is due – the 2% compensation cannot be applied.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.
**Pact Act Reporting**

Registration and reporting is required of any person who advertises, offers for sale, sells, transfers, or ships for profit cigarettes, roll-your-own, or smokeless tobacco into Tennessee through interstate commerce. PACT Act Report is due the 10th day of the month for previous month’s shipments.

PACT Act Report may be submitted electronically through TNTAP or via email to the Tennessee Department of Revenue and Tobacco Enforcement Division, Office of Attorney General and Reporter. Electronic filing will be a requirement in the near future.
STATE OF TEXAS

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:

Mailing Address:

City, State, Zip Code:

Phone Number:

Fax Number:

E-mail Address:

Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 – Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting
STATE OF UTAH

General Information

Section 1 - Contact Information

Contact Name: John Manning

Agency: Utah State Tax Commission

Mailing Address: 210 N 1950 W

City, State, Zip Code: Salt Lake City, Utah 84134

Phone Number: (801) 297-4678

Fax Number: (801) 297-4799

E-mail Address: jmanning@utah.gov

Website: http://tax.utah.gov/

Section 2 - Statutes, Regulations and Rules

http://le.utah.gov/xcode/Title59/Chapter14/59-14.html
http://tax.utah.gov/tobacco

See Publication 65 for Cigarettes, Tobacco Products, and Electronic Cigarette Tax Information. The Pub 65 is in PDF format and may be downloaded from tax.utah.gov/tobacco.

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette: "Cigarette" means a roll for smoking made wholly or in part of tobacco:
(a) Regardless of:
   (I) the size of the roll;
   (ii) The shape of the roll; or
   (iii) Whether the tobacco is:
         (A) Flavored;
         (B) Adulterated; or
         (C) Mixed with any other ingredient; and
(b) If the wrapper or cover of the roll is made of paper or any other substance or material except tobacco.

Little Cigar: "Little cigar" means a roll for smoking:
(a) Made wholly or in part of tobacco;
(b) That uses an integrated cellulose acetate filter or other similar filter; and
(c) that is wrapped in a substance:
   (I) containing tobacco; and
   (ii) that is not exclusively natural leaf tobacco.

Moist Snuff: "Moist snuff" means tobacco that:
(a) Is finely:
   (I) cut;
   (ii) Ground; or
   (iii) Powdered;
(b) has at least 45% moisture content, as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
(c) Is not intended to be:
   (I) smoked; or
   (ii) Placed in the nasal cavity; and
(d) Except for single-use pouches of loose tobacco, is not packaged, produced, sold, or distributed in single-use units, including:
   (I) tablets;
   (ii) Lozenges;
   (iii) Strips;
   (iv) Sticks; or
   (v) Packages containing multiple single-use units.

OTP: “OTP” mean a tobacco product that does not fit the definition of a cigarette, little cigar, or moist snuff it is considered OTP.

Section 4 - The Basis for the Tax

Cigarettes: 1.70 per 20-Pack; 2.125 per 25-Pack
Little Cigar: $0.085 per stick
Moist Snuff: $1.83 per ounce.
OTP: 86% of Manufacture’s price plus shipping.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarettes: 1.70 per 20-Pack; 2.125 per 25-Pack
Little Cigar: $0.085 per stick
Moist Snuff: $1.83 per ounce.
OTP: 86% of Manufacture’s price plus shipping.
Section 6 - Rate Updates

No anticipated rate changes in the near future (based on legislation).

Section 7 - State Collection Allowance or Discount

There are no discounts given to distributors/wholesalers; however, stampers receive a discount when purchasing stamps.

The stamper receives a 4% discount on every purchase of cigarette tax stamps.

Section 8 - Any Other Permissible Allowances

There is not an allowance for bad debts or theft; however, damaged, destroyed, or returned stamps are eligible for a refund.

Section 9 – The Point at Which Tax is imposed

Tax is imposed on the Utah-licensed distributor responsible for any products it causes to be shipped into Utah. The tax is due quarterly, and stamps must be applied within 72 hours of receiving cigarettes into Utah.

Section 10 - Tax Return Due Dates

Tax Return due dates are on the last day one month after the end of the quarter. If the due date falls on a holiday or weekend, the return is due on the next business day.

Section 11 – Tax Return Filings

Returns are filed electronically. The return consists of several schedules that allow for the purchase of all tobacco products. In addition, an information schedule is completed for all cigarettes stamped by brand, family, and stick count.

Section 12 – Tax Collection

Electronic payment is optional. Payment is due before midnight the due date of the return.
Section 13 - Penalties for Late Filing

10% late filing penalty and 10% late payment penalty.

Section 14 – Local Jurisdictional Tax

No local jurisdictions impose additional excise tax.

Section 15 - Floor Stock Tax

Utah has imposed a transitional tax to account for inventory during rate changes based on legislation.

Section 16 – Qualifying Exemptions

Duty free sales, exports, and government sales.

Section 17 - Laws or Rules for Tribal Sales

See Utah Code Section 59-14-204.5.

Section 18 - Information Required on a Customer Invoice

Excise tax charged, number of units (sticks/ounces), manufacturers price, and freight charges.

Section 19 – Responsibility by Agency

MSA Reporting: Utah State Tax Commission and Attorney General’s office
Enforcement/Collection: Utah State Tax Commission
Product Seizure Authority: Utah State Tax Commission

Section 20 – New or Pending Legislation

No new or pending legislation.
License Information

Refer to Utah State Tax Commission form TC-69.

Do licenses need to be renewed and if so, how frequently?
Licenses are renewed every three years. The cost of the original license is $30 and a renewal is $20.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Colored, numbered, and applied by heat transfer.

Section 2 – Acquiring Stamps

Stamps are purchased from the Utah State Tax Commission using form TC-79.

How are stamps delivered to the wholesaler/distributor?
Stamps can be picked up at the Utah State Tax Commission, or delivered by FedEx/UPS with a DOR.

Section 3 - Bond Requirements

Stampers are required to carry a minimum bond of $500.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
See Utah Code Section 59-14-206 (4).

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Utah does not distinguish between wholesalers and distributors.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
A notarized affidavit attesting to misapplied stamps included with Utah State Tax Commission form TC-564.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations
Utah enforces a 3-year limit on stamp refunds.

Section 7 – Credit Process for Manufacturer Returns
Distributor/Wholesaler submits a TC-564 and includes the manufacturer’s affidavit for destroyed stamps.

Section 8 – Other Allowed Credits
Credit on Moist Snuff when returned to manufacturer for expired shelf life.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory
In audit situations the stamper is assessed for discrepancies.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements
None noted.
**Pact Act Reporting**

PACT Act reporting requirements are defined by the PACT Act, Utah does not require anything more or less. Utah accepts all forms of PACT reporting including CD’s, memos, emails, and electronic filing. Utah recently added an option for electronic flat files.
STATE OF VERMONT

General Information

Section 1 - Contact Information

Contact Name: Joan Stefaniak, Tax Examiner
Agency: VT Department of Taxes, Miscellaneous Tax Division
Mailing Address: 133 State Street
City, State, Zip Code: Montpelier, VT 05602
Phone Number: (802) 828-6839
Fax Number: (802) 828-5787
E-mail Address: Joan.stefaniak@vermont.gov
Website: www.tax.vermont.gov

Contact Name: Helen Wagner, Esq.
Agency: Office of the Attorney General
Mailing Address: 109 State Street
City, State, Zip Code: Montpelier, VT 05602
Phone Number: (802) 828-2508
E-mail Address: Helen.wagner@vermont.gov
Website: www.ago.vermont.gov

Section 2 - Statutes, Regulations and Rules

http://legislature.vermont.gov/statutes/chapter/32/205
Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

http://legislature.vermont.gov/statutes/section/32/205/07702

Section 4 - The Basis for the Tax


Section 5 - Tax Rates and Miscellaneous Fees


Section 6 - Rate Updates

House Bill 178 proposes to tax electronic cigarettes as “other tobacco products”

House Bill 179 proposes to increase the cigarette and tobacco taxes

It does not appear, at this time that either bill will pass.

Section 7 - State Collection Allowance or Discount

Cigarette Tax – Wholesale dealers who affix cigarette tax stamps to packs of cigarettes and little cigars can deduct a 2.3% prepayment discount from the purchase price of cigarette tax stamps.

Tobacco Tax – If tobacco tax returns are filed with payment by the 15th day of the month following the month for which reporting is made, the wholesale dealer can deduct a 2% discount from the total tax due on the return.

Section 8 - Any Other Permissible Allowances

No allowances are given for either bad debt credits or for theft.

Section 9 – The Point at Which Tax is imposed

Cigarette Tax: (1) Payment is due on cigarette tax stamps at the time the licensed wholesale dealer purchases the stamps. (2) Cigarette tax is due on sales of roll-your-own tobacco and
individual non-stamped little cigars by the 15th day of the month following the month in which the sales were made.

Tobacco Tax: Tobacco Tax is due on the 15th day of the month following the month in which product is sold.

Section 10 - Tax Return Due Dates

Cigarette and tobacco tax returns are due monthly, fifteen (15) days following the close of the month in which sales are made. If the due date falls on a federal holiday or on a weekend, the due date is extended to the next business day. A return is considered timely filed if it is received by the due date.

Section 11 – Tax Return Filings

Currently, cigarette and tobacco taxes are filed on paper returns.

Section 12 – Tax Collection

Currently, there is no option for cigarette and tobacco taxes to be paid via electronic payment, with the exception of payments made for the purchase of cigarette tax stamps. Cigarette tax stamps can be purchased using electronic payment, which the purchaser must make when the stamps are ordered.

Section 13 - Penalties for Late Filing

Under Title 32 V.S.A., Chapter 103, Subchapter 002, Section 3202(a) and (b), when a taxpayer fails to pay a tax liability, the Commissioner may assess interest, which is computed at the rate per annum established by the Commissioner on the unpaid amount of that tax liability from the prescribed date, and the Commissioner may also assess a penalty of 5% per month of the unpaid tax liability, not to exceed 25%. The underpayment interest rate for 2017 is 5.6% per annum.

Section 14 – Local Jurisdictional Tax

None noted.

Section 15 - Floor Stock Tax

Yes, if authorized by the legislature.
**Section 16 – Qualifying Exemptions**

Under Title 32 V.S.A., Chapter 205, Section 7771(1) (C), the cigarette tax does not apply to products purchased outside the state by an individual in quantities of 400 or fewer cigarettes, little cigars, and 0.0325 ounce units of roll-your-own tobacco, and brought into the state for that individual’s own use or consumption.

**Section 17 - Laws or Rules for Tribal Sales**

None noted.

**Section 18 - Information Required on a Customer Invoice**

There is no statutory requirement regarding customer invoicing.

**Section 19 – Responsibility by Agency**

MSA Reporting: Office of the Attorney General

Enforcement/Collection: Vermont Department of Taxes

Product Seizure Authority: Vermont Department of Taxes – Title 32 V.S.A., Chapter 205, Section 7779

**Section 20 – New or Pending Legislation**

House Bill 178 – proposes to tax electronic cigarettes as “other tobacco products”

House Bill 179 – proposes to increase the cigarette and tobacco taxes.

At this time it does not appear that either bill will pass.

**License Information**

**Do licenses need to be renewed and if so, how frequently?**

No

Applicants must complete an application for a wholesale cigarette and tobacco dealer license, providing basic information, such as the business entity type (corporations, partnerships, etc.), owner of the business, trade name, mailing address, business location, federal identification or social security number(s) of the owner(s), business activity (manufacturer, wholesale dealer,
retailer), a description of the product that will be sold (cigarettes, roll-your-own tobacco, snuff, etc.),

The application for a wholesale dealer license is in the process of being revised and is not currently available on our website but can be obtained by calling 802 828-6839 or requested by e-mail at:

http://tax.vermontgov/help-and-resources/contact

There is no fee to obtain a wholesale cigarette and tobacco dealer license in Vermont.

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

Stamps are printed in rolls of 30,000 stamps per roll for the 20 count cigarette packs and in rolls of 7,200 stamps per roll for the 25 count cigarette packs. All stamps in each roll bear the same five digit number. Currently, tax stamps are yellow in color, with a green border around the stamp. In all capital letters, the word VERMONT is written in green and appears at the top of the stamp. In the middle of the stamp, in slightly larger black type, the five digit roll number appears. Directly under the roll number appears the number 20 or 25, in green, to signify the stamp is to be affixed on a package containing 20 cigarettes or 25 cigarettes, respectively. Directly under that appear the words Cigarette Tax, also in capital letters and in green ink. Cigarette tax stamps are layer-built decal stamps, consisting of not less than five impressions, including safety tint lettering and are produced by lithographic and or intaglio process. Machines are used to apply stamps to the bottoms of individual packs of cigarettes using heat to fuse them to the cellophane, paper, or foil.

**Section 2 – Acquiring Stamps**

Cigarette tax stamps can only be obtained from the Tax Department. Licensed wholesale dealers place orders for stamps by either faxing a completed order form or by bringing one into the office with payment. For those who come into the office, the tax stamps are given to the wholesale dealer at that time. For those who fax in orders, the stamps are shipped via UPS the same day the order is received.

**How are stamps delivered to the wholesaler/distributor?**

The Tax Department ships stamps for delivery via UPS. The Tax Department assumes the cost of shipping stamps via UPS Ground delivery. Those dealers who want another type of service, such as Next Day Air, must assume the cost and, therefore, must provide their UPS account number.
Section 3 - Bond Requirements

Under Title 32 V.S.A., Chapter 205, Section 7737, when the commissioner deems it necessary to protect the revenues to be obtained under this chapter, he or she may require any wholesale dealer to file with him or her a bond, issued by a surety company authorized to transact business in this state, and approved by the commissioner of banking, insurance, securities, and health care administration of this state as to its solvency and responsibility, in an amount fixed by the commissioner to secure the payment of any tax or penalties or interest due or which may become due from that wholesale dealer.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps? None noted.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors? None - Title 32 V.S.A., Chapter 205, Section 7773.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit? Yes, tax credit or refund Title 32 V.S.A., Chapter 205, and Section 7819

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)? None noted.

Section 6 – Refund Limitations

Title 32 V.S.A., Chapter 205, Section 7819 does not provide for a time limit in which to request a refund.

Section 7 – Credit Process for Manufacturer Returns

The licensed wholesale dealer completes an application for a refund, attaching all necessary documentation.
Section 8 – Other Allowed Credits

Wholesale dealers can request a refund for tobacco products returned to the manufacturer on which tobacco taxes were paid to the Tax Department.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

We do not generally find discrepancies.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

Cigarettes: sales must be identified by providing the customer’s name, address, sales price, brand family, invoice date, invoice number and total cigarettes sold, delivery service name, address and phone number

Tobacco: sales must be identified by providing customer’s name, address, type, brand family, Invoice date, invoice number, quantity, RYO total weight, OTP total weight, retail sales price, manufacturer’s/wholesaler’s list price, delivery service name, address and phone number

PACT Act reports are filed via paper, on discs, or via e-mail.
STATE OF VIRGINIA

General Information

Section 1 - Contact Information

Agency: Virginia Department of Taxation

Mailing Address: 600 E. Main Street

City, State, Zip Code: Richmond VA 23219

Phone Number: (804) 371.0730

Fax Number: (804) 786-2800

Website: www.tax.virginia.gov

Section 2 - Statutes, Regulations and Rules

www.tax.virginia.gov

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette is any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use. See Code of Virginia 58.1-1000. Other Tobacco Products definitions see Code of Virginia 58.1-1021.01

Section 4 - The Basis for the Tax

Chewing Tobacco, Cigar, Dry Snuff, pipe tobacco, Roll your own tobacco is taxed at 10% of the manufacturer’s selling price. Moist Snuff and Loose Leaf tobacco is taxed by weight.

Section 5 - Tax Rates and Miscellaneous Fees

Cigarette tax $.30 per pack
OTP other than moist snuff and loose leaf tobacco is taxed at 10% of the manufacturer’s selling price.
Moist snuff is taxed at $.18 per oz.
Loose leaf tobacco is taxed by weight- units less than 4 oz. $.21 per oz. Units 4-8oz $.40 per oz. units more than 24 oz. $.21 plus $.21 for each increment of 4 oz. that the unit exceeds 16 oz.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

Cigarette stamping discounts 2% of stamp purchase. OTP discount 2% of tax due.

Section 8 - Any Other Permissible Allowances

There is an allowance for bad debt.

Section 9 – The Point at Which Tax is imposed

OTP tax is due at the time of sale. Cigarette tax is a pre paid tax due when a roll of stamps is purchased.

Section 10 - Tax Return Due Dates

Forms TT-13, TT-14, TT-18 are due on the 20th of the following month. If the 20th falls on a weekend or holiday, the due date is the next business day. Timely filed is determined by postmark.

Section 11 – Tax Return Filings

Cigarette forms are filed on paper. OTP returns are filed electronically.

Section 12 – Tax Collection

OTP payments are required to be made electronically.
Section 13 - Penalties for Late Filing

Cigarette returns are subject to a penalty of $250. OTP returns are subject to a penalty of 5% per month max 20%.

Section 14 – Local Jurisdictional Tax

Yes independent cities and towns may impose a local cigarette tax.

Section 15 - Floor Stock Tax

Virginia imposed a floor tax during the last tax increase- 2005.

Section 16 – Qualifying Exemptions

The US Government and Veterans Canteen Service of the VA.

Section 17 - Laws or Rules for Tribal Sales

None noted.

Section 18 - Information Required on a Customer Invoice

Virginia Other Tobacco Products Tax Paid.

Section 19 – Responsibility by Agency

MSA Reporting: Office of the Attorney General
Enforcement/Collection: Office of the Attorney General
Product Seizure Authority: Office of the Attorney General

Section 20 – New or Pending Legislation

Virginia will require a new resale certificate of exemption beginning January 1, 2018.
**License Information**

Virginia requires a stamping agent permit which authorizes a stamping agent to purchase and affix cigarette revenue stamps. The fee is $600 for a three year permit. Virginia requires an OTP distributor’s license for any business bringing untaxed tobacco into the state. The fee is $600 for a three year license.

**Do licenses need to be renewed and if so, how frequently?**

Every three years.

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

The cigarette revenue stamp contains a serial number and is heat affixed.

**Section 2 – Acquiring Stamps**

**How are stamps delivered to the wholesaler/distributor?**

Tax office, local Commissioner of the Revenue Office or delivered by common carrier.

**Section 3 - Bond Requirements**

A bond is required when purchasing on credit.

**Section 4 – Allowable Transfers**

**Does the state allow the transfer of unaffixed cigarette tax stamps?**

None noted.

**Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?**

None noted.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Yes.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
None noted.

Section 6 – Refund Limitations

None noted.

Section 7 – Credit Process for Manufacturer Returns

A credit memo is attached to a tax stamp purchase order.

Section 8 – Other Allowed Credits

None noted.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

An attachment to the monthly cigarette tax form.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

None noted.

Pact Act Reporting

PACT Act reports are received via mail or email for any person shipping cigarettes into Virginia.
STATE OF WASHINGTON

General Information

Section 1 - Contact Information

Agency:  Washington State Department of Revenue, Special Programs Division, Miscellaneous Tax Section

Mailing Address:  PO BOX 47477

City, State, Zip Code:  Olympia WA 98504-7477

Phone Number:  (360) 534-1503

Fax Number:  (360) 534-1499

E-mail Address:  DORCigarettes@dor.wa.gov

Website:  Dor.wa.gov

Agency:  Office of the Attorney General

Mailing Address:  PO BOX 40100

City, State, Zip Code:  Olympia WA 98504-0100

Phone Number:  (206) 464-6684

Fax Number:  (360) 664-2023

Website:  Atg.wa.gov

Section 2 - Statutes, Regulations and Rules

http://dor.wa.gov/content/FindALawOrRule/
Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

"Cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and irrespective of the tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any material, except where such wrapper is wholly or in the greater part made of natural leaf tobacco in its natural state. "Cigarette" includes a roll-your-own cigarette.

"Cigar" means a roll for smoking that is of any size or shape and that is made wholly or in part of tobacco, irrespective of whether the tobacco is pure or flavored, adulterated or mixed with any other ingredient, if the roll has a wrapper made wholly or in greater part of tobacco. "Cigar" does not include a cigarette.

"Little cigar" means a cigar that has a cellulose acetate integrated filter.

"Moist snuff" means tobacco that is finely cut, ground, or powdered; is not for smoking; and is intended to be placed in the oral, but not the nasal, cavity. "Tobacco products" means cigars, cheroots, stogies, perique’s, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, Cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, and any other product, regardless of form, that contains tobacco and is intended for human consumption or placement in the oral or nasal cavity or absorption into the human body by any other means, but does not include cigarettes as defined in RCW 82.24.010. "Taxable Sales Price" means the actual price for which the taxpayer (wholesaler) purchased the tobacco products. If purchasing from an affiliate, not the purchase price, but the price that the affiliate would sell to a non-affiliate. See Chapter RCW 82.26.

Section 4 - The Basis for the Tax

Cigarettes - $3.025 per package of 20, plus applicable sales or use tax.

Tobacco Products: The "Other Tobacco Products" tax rate is 95% of the taxable sales price.

For cigars, except little cigars, 95% of the taxable sales price of cigars not to exceed $0.65 per cigar.

"Little cigars" are taxed at the same rate per unit as cigarettes - $0.15125 per stick or $3.025 per pack of twenty.

Moist snuff is taxed based on the net weight listed by the manufacturer at the rate of $2.526 per single unit of 1.2 ounces or less and at a proportionate rate for larger single units.
Section 5 - Tax Rates and Miscellaneous Fees

Tobacco Products/Cigars (less than $0.69) rate at 95% of the first possessors (for resale) purchase price.

Cigar Tax ($0.69 or more) $0.65 per cigar.

Little Cigar tax (acetate integrated filters) $0.15125 per stick.

Moist snuff (1.2 oz. or less) $2.526 per unit.

Moist snuff (more than 1.2 oz.) $2.105 per ounce.

Section 6 - Rate Updates

Unknown at this time.

Section 7 - State Collection Allowance or Discount

Cigarette stamping compensation - $6 per 1,000 stamps sold (reduced from tax stamp roll purchase price).

Section 8 - Any Other Permissible Allowances

None noted.

Section 9 – The Point at Which Tax is imposed

Other tobacco products tax is due on first possessor in WA.

Cigarette tax is considered paid when the tax stamp is affixed. The stamps must be affixed within 72 hours of receipt of the inventory. The stamps are required to be affixed unless the wholesaler has provided an “unstamped” inventory bond.

Section 10 - Tax Return Due Dates

The monthly tax returns are due the 25th day of the month following the close of the period. Quarterly returns are due the end of the month following the tax quarter. If the due date falls on a weekend or holiday the returns are due on the following business day. Monthly and quarterly
filers are required to E-file. If they have received an exemption from the E-file requirement, the postmark determines timely filing.

Section 11 – Tax Return Filings

Paper or electronic filings are available at dor.wa.gov.

Section 12 – Tax Collection

The electronic payment options are E-check, ACH Credit, ACH Debit, or credit card. If a taxpayer is required to electronically file their tax Return, they typically are also required to pay their taxes electronically. Electronic payments must be completed no later than 11:59PM on the due date to be considered timely.

The tobacco products tax is reported on the business tax filings. Washington consumers who purchase cigarettes outside Washington State, or from some other source without paying Washington taxes, must pay both the cigarette tax and the use tax directly to the department of revenue within seventy-two hours of first possessing them in this state using a "Tax Declaration for Cigarettes" form, which may be obtained from the department. This form/return is a separate tax filing from the business tax filing.

Section 13 - Penalties for Late Filing

9% the day after the due date.

19% the 1st day of the month following the due date.

29% the 1st day of the 2nd month following the due date.

Section 14 – Local Jurisdictional Tax

Yes.

Section 15 - Floor Stock Tax

Yes, for cigarette tax.
**Section 16 – Qualifying Exemptions**

Tribal, out of state, and sales to the US government are considered qualifying exemptions.

**Section 17 - Laws or Rules for Tribal Sales**

Tribes are allocated an annual amount of tax-exempt stamps (packs) of cigarettes— couple of tribes utilizes their exempt allocation and exempt stamps are affixed. Other tribes have a cigarette compact agreement with WA (have incorporated a tribal cigarette tax equal to the state cigarette tax) and they affix the generic compact stamp or their own unique tribal stamp.

**Section 18 - Information Required on a Customer Invoice**

Name and address of seller and buyer, delivery date, product type, product brand, and indication if the tax has been paid by the seller (type of tax stamp applied).

**Section 19 – Responsibility by Agency**

- MSA Reporting: Department of Revenue
- Enforcement/Collection: Liquor and Cannabis Board
- Product Seizure Authority: Revenue and Liquor and Cannabis Board

**Section 20 – New or Pending Legislation**

None known, potential vapor products bills, none passed at this time.

**License Information**

Do licenses need to be renewed and if so, how frequently?
Licenses can be applied for online via bls.dor.wa.gov

Tobacco and Vapor licenses must be renewed annually in conjunction with the business license.

Here is the link for the requirements to become a Washington State licensed Cigarette Wholesaler: http://bls.dor.wa.gov/cigarettewholesaler.aspx.

Here is the link for the requirements to become a Washington State licensed Cigarette Retailer: http://bls.dor.wa.gov/cigaretteretailer.aspx.
Here is the link for the requirements to become a Washington State licensed Tobacco Products Wholesaler: [http://bls.dor.wa.gov/tobaccodistributor.aspx](http://bls.dor.wa.gov/tobaccodistributor.aspx).

Here is the link for the requirement to become a Washington State licensed Tobacco Products Retailer: [http://bls.dor.wa.gov/tobaccoretailer.aspx](http://bls.dor.wa.gov/tobaccoretailer.aspx)

**Cigarette making machine** $93 per location

**Cigarette retailer** $175 per location
See also: Tobacco products retailer

**Cigarette vending machine** $30 per machine

**Cigarette wholesaler** • $650 main location
• $115 each branch location

**Tobacco distributor** • $650 main location

See also: Cigarette retailer • $115 each branch location
(Fee waived if you are also applying for or already have cigarette wholesaler endorsement.)

**Tobacco products retailer** $175 per location
See also: Cigarette retailer
(Fee waived if you are also applying for or already have cigarette retailer endorsement at same business location.)

**Vapor product delivery** $250

**Vapor product distributor** • $150 main location
• $100 each branch location

**Vapor product retailer** $175

**Cigarette and Tax Stamp Information**

**Section 1 – Tax Stamp Attributes**

There are several valid heat applied stamps for use in Washington State, see brochure at [http://dor.wa.gov/Docs/Pubs/CigarTax/CigaretteTax.pdf](http://dor.wa.gov/Docs/Pubs/CigarTax/CigaretteTax.pdf)
Section 2 – Acquiring Stamps
The stamps are acquired directly from Meyercord via a direct to distributor order system via the internet.

How are stamps delivered to the wholesaler/distributor?
FedEx or private carrier as part of the order system process, included in stamp purchase unless overnight is requested.

Section 3 - Bond Requirements
Optional deferred payment bond (allows deferred payment up to 30 days). Optional unstamped inventory bond equal (or greater) to 80% of the amount of tax that would be otherwise be due if stamps were affixed. Required minimum $5,000 proper performance bond.

Section 4 – Allowable Transfers
Does the state allow the transfer of unaffixed cigarette tax stamps?
No transfers of un-affixed stamps.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Yes, as long as the receiving distributor is appropriately licensed or if the product is sold to an out of state distributor.

Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps
Does the state allow a tax credit?
Destruction of stamps must be witnessed by a DOR authorized agent. Refunds of verified misapplied stamps may be requested.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
WAC 458-20-186 states, in order to be considered taxed, more than 50% of the stamp must be on a pack.

Section 6 – Refund Limitations
Refunds of tax stamps are subject to the statute of limitations, which is current plus four years.
Section 7 – Credit Process for Manufacturer Returns

Manufacturer’s certification is required, see cigarette tax claim form:
http://dor.wa.gov/Docs/Forms/CigTx/CigTxClaimRefund_E.pdf

Section 8 – Other Allowed Credits

Credit is allowed for returned Tobacco Product taxes, see tobacco tax credit worksheet:
http://dor.wa.gov/Docs/forms/CigTx/TobProdCigTxCrWksht_E.pdf

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Verified via field audit, undocumented inventory is treated as unpaid tax and assessed.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

All unstamped stock must be kept separate and apart from stamped stock.

A bond is required for the tax value of any unstamped inventory kept over 72 hours.

Pact Act Reporting

Paper or electronic via email. See schedule C forms:
STATE OF WEST VIRGINIA

General Information

Section 1 - Contact Information

Contact Name: Mary K Stiles
Agency: Department of Revenue
Mailing Address: 1001 Lee Street E
City, State, Zip Code: Charleston WV 25301
Phone Number: (304)558-8626
Fax Number: (304) 558-1989
E-mail Address: mary.k.stiles@wv.gov

Contact Name: Cassandra Means
Agency: Attorney General’s Office
Mailing Address: 1900 Kanawha Blvd Bldg. 1
City, State, Zip Code: Charleston WV 25305
Phone Number: (304) 558-2522
E-mail Address: Cassandra.l.means@wvago.gov

Section 2 - Statutes, Regulations and Rules


Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Cigarette—any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether tobacco flavored, adulterated or mixed with any ingredient, the wrapping or cover of which is made of paper or any substance or material, except tobacco. Any roll of tobacco wrapped in any substance containing tobacco which because of its appearance, the type of tobacco used in the filler, or its packing and labeling, is likely to be offered to, or purchased by, consumers as a cigarette.

Other tobacco products or tobacco products other than cigarettes—snuff and chewing tobacco and any other tobacco product that is intended by the seller to be consumed by means other than smoking and any cigar, pipe tobacco or other tobacco product other than cigarettes.

E-cigarette liquid—any of the liquids or liquid mixtures used in e-cigarettes and is also known as e-juice, e-fluid, e-liquid or e-liquid product. E-cigarette liquid includes e-cigarette liquid mixing kits and e-cigarette liquid mixing kit components. When used in, or an e-cigarette, e-cigarette, e-cigarette liquid is vaporized or otherwise converted into an inhalable product. E-cigarette liquid may or may not include, without limitation, propylene glycol, vegetable glycerin nicotine from any source or flavorings.

Section 4 - The Basis for the Tax

Per WV Tax Code §11-17, tax is imposed on sales of packages of twenty cigarettes or in like ratio on any part thereof. A tax stamp must be affixed or impressed upon each package of cigarettes.

On “tobacco products other than cigarettes” the tax is imposed on wholesale price of each item sold or used.

On the sale of e-cigarette liquids there is a tax levied per milliliter or fraction thereof, or if not sold, then at the same rate upon the use by the wholesaler or dealer.

Only one sale of the same article shall be used in computing the amount of tax due.

“Wholesale price” means the gross invoice price including federal excise taxes, at which the manufacturer of the tobacco product sells the product to unaffiliated distributors.

“Wholesaler” or “wholesale dealer” is any person within this state who purchases tax-not-paid tobacco products directly from the manufacturer or other seller as approved by the tax commissioner.

‘Stamp” means any cigarette stamp or any meter or ink impression or other indicia authorized by the tax commissioner to serve as a stamp and shall be of the design and color as prescribed by the tax commissioner.
Section 5 - Tax Rates and Miscellaneous Fees

Effective July 1, 2016, the excise tax rate on the sale of cigarettes is $1.20 on each package of twenty (20) cigarettes and $1.50 on each package of twenty-five (25) cigarettes. A 12% tax rate is levied on the wholesale price of each article or item of tobacco products other than cigarettes.

A tax rate of 7.5 cents per milliliter is imposed on the sale of e-cigarette liquids.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

There is a dealer discount of 4% on the amount tax due for affixing cigarette tax stamps, collecting and paying of tax as required. This discount does not apply to tax levied on the sale of e-cigarette liquids.

Section 8 - Any Other Permissible Allowances

There are no allowances for bad debt or for theft.

Section 9 – The Point at Which Tax is imposed

Excise tax is imposed on sales from a wholesaler to another wholesaler, retail dealers and/or sub jobber.

Any distributor, dealer, sub jobber, retail dealer, or any person(s) that imports or transports tax-not-paid tobacco products into this state, or causes the import or transport of tax-not-paid tobacco products into this state is liable for the excise tax.

Section 10 - Tax Return Due Dates

Tobacco products tax returns are due on or before the fifteen (15th) of each month for the preceding month. If the due date falls on the weekend or on a holiday, then the due date will fall on the next business day.
**Section 11 – Tax Return Filings**

Tax returns can be filed by mail or electronically through MyTaxes at [https://mytaxes.wvtax.gov](https://mytaxes.wvtax.gov)

**Section 12 – Tax Collection**

Tax on cigarettes shall be paid by the purchase of stamps.

On “tobacco products other than cigarettes” the tax shall be paid using an invoice method.

Payment shall be made by cash, money order, bank draft, certified check or by noncertified check.

Electronic payments must be submitted on or before the due date of the return.

**Section 13 - Penalties for Late Filing**

Failure to make or file a report when no tax is due, as required on the due date for this filing, there shall be collected a penalty of $25.00 for each month of the failure or fraction of a month.

Late file penalty of five percent (5%) of the tax due for the first month and five percent for each month thereafter or fraction of a month not to exceed 25%.

Late pay penalty of .5% for the first month and .5% for each month thereafter or fraction thereof not to exceed 25%.

The current interest rate on late payment is 8%.

**Section 14 – Local Jurisdictional Tax**

Per WV Code §11-17-4a, no municipality or government subdivision shall levy any excise or other tax on any tobacco product, or require cigarettes or other tobacco products to be stamped.

**Section 15 - Floor Stock Tax**

Every wholesaler, sub jobber, sub jobber dealer, retail dealer and vending machine operator must pay a floor stock tax when there is a rate change.
Section 16 – Qualifying Exemptions

Only exemptions are sales from manufacturers to wholesalers.

Section 17 - Laws or Rules for Tribal Sales

No special laws or rules regarding tribal sales.

Section 18 - Information Required on a Customer Invoice

Each delivery ticket or invoice for each purchase or sale must be recorded upon a serially numbered invoice which includes the following:

- The name and address of the seller and the purchaser
- The point of delivery
- The date, quantity and price of each tobacco product delivered in this state
- The amount of tax imposed, which must be set out separately or the invoice must indicate that the West Virginia tobacco products excise tax is included in the total price

Section 19 – Responsibility by Agency

<table>
<thead>
<tr>
<th>MSA Reporting:</th>
<th>West Virginia Attorney General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement/Collection:</td>
<td>West Virginia State Tax Department</td>
</tr>
<tr>
<td>Product Seizure Authority:</td>
<td>West Virginia State Tax Department, West Virginia State Police, and Local Police Departments</td>
</tr>
</tbody>
</table>

Section 20 – New or Pending Legislation

None noted.

License Information

For a West Virginia Business License Certificate there is a $30.00 fee.

Application for permission to stamp

Distributor Information Sheet
Do licenses need to be renewed and if so, how frequently?
Licenses do not need to be renewed.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes
Stamps are colored and numbered.
Hand applied stamps are one-half inch by five-eighths inch.
Heat applied stamps are one-half inch by one-half inch.
Contain the words “State of West Virginia” and “Cigarette Tax Stamp”.

Section 2 – Acquiring Stamps
Cigarette Tax Stamps can be obtained by filing form WV/TPT-703 Requisition for West Virginia Cigarette Stamps. This form can be filed electronically on [https://mytaxes.wvtax.gov](https://mytaxes.wvtax.gov) the amount due must be paid at the time of purchase unless a bond is on file with the tax commissioner.

How are stamps delivered to the wholesaler/distributor?
The Tax Department uses FedEx Ground to deliver stamps unless otherwise specified by the taxpayer. Taxpayer must provide a FedEx account number for billing if requesting a shipping service other than ground.

Section 3 - Bond Requirements
Wholesalers may obtain a Cigarette Tax Credit Purchase Bond to allow them to purchase cigarette tax stamps on credit. This is a continuous bond. The only requirement is that annual notice of renewal is filed with the tax commissioner. The WV Attorney General’s Office approves the bonds.

Section 4 – Allowable Transfers
Does the state allow the transfer of unaffixed cigarette tax stamps?
West Virginia does not allow for the transfer of unaffixed cigarette tax stamps.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Wholesalers may not transfer unstamped cigarettes or other tobacco products upon which the excise tax has not been paid or stamp any cigarettes that they do not own.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
Any unused or mutilated, but identifiable, stamps purchased by a wholesaler or retail dealer may be presented for tax credit or refund of ninety-five percent of the face value of said stamps, less any discounts. Request for credit/refund must be filed by the purchaser and be in writing.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
At least 75% of the stamp must be visible to claim for tax credit
Must be able to identify the name of the state and the serial number.

Section 6 – Refund Limitations
Claim for credit or refund must be filed within three years from the date the cigarette stamps were issued.

Section 7 – Credit Process for Manufacturer Returns
Stamped cigarettes returned to the manufacturer can be claimed for a credit or refund upon the filing of an application and affidavit in duplicate issued by the manufacturer as evidence of the destruction of stamps. The amount of refund shall be ninety-five percent of face value of the stamps, less any discounts.

Section 8 – Other Allowed Credits
A credit or refund can be claimed for tobacco products other than cigarettes that have been returned to the manufacturer. Must file an application and affidavit when claiming a credit or refund of ninety-five percent of face value of tax that was paid less any discounts.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory
Taxpayers are contacted if there are any discrepancies between cigarette inventory and tax stamp inventory

If the taxpayer does not provide an explanation the following may occur:
Report is adjusted based on information that has been provided and a return change letter is mailed.
Any overages that result in a tax credit that cannot be explained are denied.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Must maintain a daily stamping record which shall be made available for inspection by the Tax Commissioner.

Inventory must be reported to the Tax Commissioner monthly.

Pact Act Reporting

Reporting can be submitted by email or by mail. Reports must list following items:
- Invoice number
- Name and address of the seller and the purchaser
- Point of delivery
- The product brand name
- Date, quantity, and price
STATE OF WISCONSIN

General Information

Section 1 - Contact Information

Contact Name: Christopher Roy
Agency: Department of Revenue
Mailing Address:
City, State, Zip Code:
Phone Number: (608) 266-7453
Fax Number: (608) 261-7049
E-mail Address: Christopher.roy@wisconsin.gov
E-mail Address: DORExciseTaxpayerAssistance@wisconsin.gov
Website: https://www.revenue.wi.gov/Pages/Businesses/Tobacco.aspx

Section 2 - Statutes, Regulations and Rules

https://docs.legis.wisconsin.gov/statutes/statutes/139.pdf
https://docs.legis.wisconsin.gov/statutes/statutes/995.pdf
https://www.revenue.wi.gov/Pages/FAQS/ise-cigar.aspx
https://www.revenue.wi.gov/Pages/FAQS/ise-tobacco.aspx

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

All definitions under https://docs.legis.wisconsin.gov/statutes/statutes/139/I/01
Section 4 - The Basis for the Tax

Cigarette tax $0.126 per stick.
Tobacco Products 71% of manufacturer's established list price to distributors.
Moist Snuff 100% of manufacturer's established list price to distributors.
Cigars Lesser of 71% of manufacturer's established list price to distributors or $0.50 per cigar.

Section 5 - Tax Rates and Miscellaneous Fees

Returns are due the 15th of the following month.

Section 6 - Rate Updates

None noted.

Section 7 - State Collection Allowance or Discount

As a distributor, you receive a 0.7% tax discount when you purchase stamps to help offset the costs you incur when you apply the stamps to packs of cigarettes [sec. 139.32(5), Wis. Stats.].

Section 8 - Any Other Permissible Allowances

No response received from state.

Section 9 – The Point at Which Tax is imposed

No response received from state.

Section 10 - Tax Return Due Dates

No response received from state.
Section 11 – Tax Return Filings
No response received from state.

Section 12 – Tax Collection
No response received from state.

Section 13 - Penalties for Late Filing
No response received from state.

Section 14 – Local Jurisdictional Tax
No response received from state.

Section 15 - Floor Stock Tax
No response received from state.

Section 16 – Qualifying Exemptions
No response received from state.

Section 17 - Laws or Rules for Tribal Sales
No response received from state.

Section 18 - Information Required on a Customer Invoice
No response received from state.
Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

No response received from state.

License Information

Do licenses need to be renewed and if so, how frequently?
No response received from state.

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

No response received from state.

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?
No response received from state.

Section 3 - Bond Requirements

No response received from state.

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?
No response received from state.

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
No response received from state.
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?
No response received from state.

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?
No response received from state.

Section 6 – Refund Limitations

No response received from state.

Section 7 – Credit Process for Manufacturer Returns

No response received from state.

Section 8 – Other Allowed Credits

No response received from state.

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

No response received from state.

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

No response received from state.

Pact Act Reporting

No response received from state.
STATE OF WYOMING

NO INFORMATION RECEIVED

General Information

Section 1 - Contact Information

Agency:
Mailing Address:
City, State, Zip Code:
Phone Number:
Fax Number:
E-mail Address:
Website:

Section 2 - Statutes, Regulations and Rules

Section 3 - Cigarette and Other Tobacco Products Taxed and Definitions

Section 4 - The Basis for the Tax

Section 5 - Tax Rates and Miscellaneous Fees

Section 6 - Rate Updates

Section 7 - State Collection Allowance or Discount

Section 8 - Any Other Permissible Allowances

Section 9 – The Point at Which Tax is imposed

Section 10 - Tax Return Due Dates

Section 11 – Tax Return Filings
Section 12 – Tax Collection

Section 13 - Penalties for Late Filing

Section 14 – Local Jurisdictional Tax

Section 15 - Floor Stock Tax

Section 16 – Qualifying Exemptions

Section 17 - Laws or Rules for Tribal Sales

Section 18 - Information Required on a Customer Invoice

Section 19 – Responsibility by Agency

MSA Reporting: Department of Revenue
Enforcement/Collection: Department of Revenue
Product Seizure Authority: Department of Revenue and law enforcement

Section 20 – New or Pending Legislation

License Information

Do licenses need to be renewed and if so, how frequently?

Cigarette and Tax Stamp Information

Section 1 – Tax Stamp Attributes

Section 2 – Acquiring Stamps

How are stamps delivered to the wholesaler/distributor?

Section 3 - Bond Requirements

Section 4 – Allowable Transfers

Does the state allow the transfer of unaffixed cigarette tax stamps?

Does the state allow the transfer of unstamped cigarettes between wholesalers/distributors?
Section 5 - Laws, Rules or Policies Governing Misapplied Cigarette Tax Stamps

Does the state allow a tax credit?

Are there any laws, rules, or policies governing what percentage of the misapplied cigarette tax stamp must be present to qualify for a tax credit, (i.e. 50% or 75%)?

Section 6 – Refund Limitations

Section 7 – Credit Process for Manufacturer Returns

Section 8 – Other Allowed Credits

Section 9 – Requirements for Reporting Discrepancies between Cigarette and Tax Stamp Inventory

Section 10 - Additional Tax Stamp Inventory Restrictions or Requirements

Pact Act Reporting