Spring is here… Right?

The crocus have come and gone. The snows seem to be less frequent and, in Kentucky, we have entered a new season called monsoon. Several years ago, spring pretty much retired and was replaced by endless rain. If you see the sun in your part of the world, please give it my regards and send it our way - we miss it in the Bluegrass State.

I hope the weather will be nice at the upcoming Uniformity Meeting in Portsmouth, VA. With that lead in, I look forward to another successful meeting. We have accomplished so much in such a brief period. Thanks to the efforts of all of you, my home state is pushing ever closer to the release of its Uniform Tobacco Tax Electronic Filing System. We are eager to share with you our experience and increased productivity once we go live. We’ll keep you updated and plan to share our findings at the Annual FTA Tobacco Tax Conference.

The Annual Conference agenda is deep in the planning phase. I encourage you to submit ideas for presentations or topics of pertinence. The regional conferences have begun and we anticipate some excellent topics and presenters will come to the surface. Again, if you have a topic of interest for everyone, please contact Cindy Anders-Robb or me and we’ll try to work it into the agenda. From what I have seen so far, the agenda is engaging and the accommodations are outstanding.

I’d like to report the joint TTB/FTA Diversion Trainings that were recently held in Cincinnati, OH were well attended and successful. Based on the class evaluations submitted by the attendees the class was challenging and informative. It’s our hope the class will be offered again next year. I offer a sincere thanks to the dedicated TTB staff, FTA, and state participants that put on the training. If you like a challenge and want a global view of tobacco products taxation, watch for it in future training announcements from the FTA.

I look forward to hearing from you and seeing you in Portsmouth!

With Warm Regards,

Jim

Jim.oliver@ky.gov
KY DOR
(502) 564-2935
Message from Hillary and Tim, (continued from page 1).

Portsmouth. We received confirmation that FTA can post the brand code table on the tobacco portion of their website once it is completed.

We had an update from Kentucky on where they were with the Uniformity process and what their experience had been working towards a full Uniformity filing system. Industry also weighed in as wholesale dealers have begun testing the e-filing process.

If you haven’t reviewed the Tobacco Tax Information by State (TTIbS) publication recently, we recommend you review it to see updates from states who previously had not responded. There will be additional updates provided in June, so if you have any questions you would like to see answered, please let us know. We also had government and industry-only breakouts. These smaller groups are always a good place to discuss issues.

We look forward to seeing you in Portsmouth in April and then at the Annual meeting in August. Please feel free to reach out to any of the chairs of the Uniformity Committee with any questions.

- Hillary and Tim

The Compliance Subcommittee Update

Again at the January Uniformity meeting in San Antonio, the Compliance Subcommittee reviewed the Engagement Plan as a multi-pronged approach focused on compliance expansion, engagement, education, participation, and knowing where you are. Various states are in different places in electronic filing. The consensus was the group would like folks to participate now, so we have an understanding of the different scenarios states & industry are faced with. Discussion to reach out to states to find out more about their current or future filing with a list of questions was proposed along with how or what they know about Uniformity. This was shelved (cont’d pg4)

“The Leaf Sheet”

“Sissy Sawyer with Altria Client Services has resigned from the Compliance Subcommittee to enjoy her career retirement…”

The Forms and Technology Subcommittee Update

The Technology Subcommittee hosted a webinar in San Antonio, TX. In addition to those attending the FTA Uniformity meeting in person, 35 people (mostly IT personnel) from industry and government dialed-in for this technical session. After a brief overview of the existing FTA Uniformity schema, participants shared their states’ status in adopting or updating their reporting to electronic filing, including how and when they will be rolling out these changes. Topics raised during the discussion encompassed methodology and recommendations for amended returns (recommend “full replacement”), file naming standards (include a sequence number), standard error codes, attachments (not recommended), and e-file acknowledgements.

It was agreed this subcommittee should focus on the following topics in the future – 1) Best practices for e-File acknowledgements, 2) Developing tools to allow the “little guy” to file (i.e., Excel upload template, XPath document), and 3) Developing a Uniform Cover Page / Tax Return.

We’d like to thank (cont’d pg 3)
The Forms and Technology Subcommittee Update, (continued from page 2).

Jennifer Skinner for her entertaining and informative presentation updating us on the KY FTA Uniformity e-file rollout – taxpayer needs, state needs, challenges, lessons learned and questions.

We look forward to continuing our dialogue in Portsmouth, VA in April.

- Kara and Helen

The Communications and Legislations Subcommittee Update

What a great January meeting in San Antonio! The Communication & Legislation breakout session was lively and fact filled!

Don presented legislation updates at the municipal, state and federal level. Highlights included local flavor bans, Tobacco 21, vapor and e-cig tax, South Carolina’s transition from an unstamped to a stamped state, HR1, NNN levels in smokeless tobacco, and IQOS. If any of this sounds foreign to you, be sure to attend our session in April.

Dawn presented a TTlBs update on the enhancements added since the August 2017 meeting. In June, each state will be asked to provide updates along with answers to new questions that were collected over the last year. Those updates and answers will be presented at the annual meeting in August. The TTlBs is an excellent fluid document we hope you all will add to your resource library.

~ Don and Dawn

Fun Facts from Jerry Leonard -OK DOR

♦ Most toilets flush in E flat
♦ “Almost” is the longest word in English with all the letters in alphabetical order.
♦ It actually takes 142.18 licks to reach the center of a Tootsie pop
♦ At any one time about 7% of the world population is drunk
  (This figures goes up during government conferences)
♦ In the UK it is illegal to eat mince meat pies on Christmas Day.
  (My question is why is it ever legal!)
♦ The average person spends 6 months of their lifetime waiting on a red light to turn green.
Compliance Subcommittee Update

as other Subcommittees are already contacting states with information.

The possibility of drafting model legislation was also brought up. However, motor fuel tried it, and it did not work as planned. Suggestions were made that industry’s lobbyists should push for Uniformity, but a document would be needed to understand the legislation that is on the books for each state.

Discussion was held regarding the use of a State Cigarette/Tobacco License and Registration Listing that both state & industry can use to obtain license and registration listings to ensure the most recent information is given for use in the electronic filing systems. Some states saw the need while others did not think it would benefit them. Industry has asked for a copy of this listing as they are currently working on their Uniform data for states’ electronic filing systems.

The Subcommittee asked for suggestions on what everyone would like to see at future meetings. Comments were made that people enjoyed case studies in the past and would like to see more in the future.

In other exciting news (for her, lol), Sissy Sawyer with Altria Client Services has resigned from the Compliance Subcommittee to enjoy her career retirement and pursue other outstanding endeavors. We wish her the best!

I’m excited to see everyone here in Portsmouth and look forward to speaking with you in regards to Compliance. Please reach out to any of the committee chairs if you have any input or would like to become more involved with the Uniformity Committee. Enjoy Virginia!

~ Jeanne

How Can You Become More Involved In Uniformity?

- Regularly check for updates at FTA’s updated Tobacco Uniformity website at taxadmin.org.
- If you don’t currently require cigarette and/or tobacco returns, and/or PACT Act reports to be filed electronically, do you know when your state is expected to do so?
- Has your revenue staff coordinated with your AG’s staff to ensure the uniform schedules will also fulfill all of their filing requirements? If you’re from the AGO, reach out to your Revenue Department.
- Talk to other states and industry members.
- Attend meetings!

Welcome to Portsmouth, Virginia! Did you know…?

- Portsmouth plays host to the annual Seawall Festival
- Portsmouth was founded by Col. William Crawford in 1752
- Portsmouth became an independent city March 1, 1858. Before then it had been the seat of Norfolk County since January 1801. Norfolk County is now the City of Chesapeake due to a merger between the county & city of South Norfolk to avoid annexations by Norfolk & Portsmouth.
- The Downtown Tunnel, located on Interstate 264, is the main connector between Portsmouth and Norfolk. It was completed in May of 1952 as the Elizabeth River Tunnel. The Midtown Tunnel is the other major connection on US HWY 58 which was completed 10 years later.
Training & Development Opportunities

October 2018 - FTA Tobacco Basic Training.
State & industry attendees will be trained on tobacco terminology, distribution of products, taxation, legislation, the Master Settlement Agreement (MSA), compliance, auditing, etc. In the past, attendees have toured a cigarette manufacturing facility.
Stay tuned for more details to be announced soon!

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Hillary Bunker
State of Nevada

Tim Harris
Eby Brown Company LLC

Subcommittee Chairs

Communication and Legislation
Don Anderson
State of Idaho
Dawn Evans
McLane Company Inc.

Compliance
Jeanne Thompson
State of Kentucky

Forms and Technology
Kara Parga
State of Nebraska
Helen Hayes
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The Leaf Sheet

This edition of The Leaf Sheet edited by Don Anderson and Dawn Evans

FTA Tobacco Tax Section Manager  
Cindy Anders-Robb, FTA  
(307) 632-4144

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FTA Tobacco Tax Section Uniformity Committee
Mission Statement

Provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of tobacco taxes, to minimize tobacco tax evasion, and to act as an information resource to stakeholders.