Welcome to Sunny Florida! I think you will find the 2018 Tobacco Tax Section Annual Conference enjoyable and informative. A variety of current topics will be covered. I want to thank the presenters and those that assisted with the agenda. Naturally, our appreciation goes out to Cindy Anders-Robb and the Federation of Tax Administrators. The behind the scenes efforts required to put on a successful conference are considerable and Cindy has mastered the process!

Additionally, I want to thank the Uniformity Committee and Sub Committee chairs for their work throughout this past year. Their efforts and dedication are greatly appreciated. Steadily we move forward toward our goal of uniform reporting across multiple tax jurisdictions. These individuals and their committee members work in the trenches gathering information, reviewing processes and formulating best practices. And let us not forget, this work is above and beyond, because these folks have full time jobs.

For those of you that have not joined a subcommittee or a work group; we need you! Your knowledge and your skills are unique. We look forward to you joining one of the Uniformity Committees or taking a role in your region. Each region rotates officers and they conduct the regional meetings. Your involvement is essential to a strong region and to a strong Tobacco Tax Section.

It has been a pleasure to get to know and work with many of you these past couple of years as your national chair. Please stay in touch! I also want to extend a warm welcome to our incoming National Chair, Debbie Cannon from the Northern Virginia Tax Board.

God Bless,

Jim
Jim.oliver@ky.gov

**Upcoming Meetings:**
- Uniformity Meeting
  - Montgomery, AL
  - January 23–24, 2019
- Central Region
  - Wayne, IN
  - April 3–4, 2019
- Uniformity Meeting
  - TBA
- Western Region
  - Spokane, WA
  - May 1–2, 2019
- Northeast Region
  - TBA
- Southern Region
  - Raleigh, NC
  - June 5–6, 2019
- Uniformity Meeting
  - TBA

**Message from Uniformity Committee Co-chairs**

Tim and I are looking forward to seeing everyone in Orlando for our final Uniformity meeting of the year and the Tobacco Annual Meeting. At our April meeting in Portsmouth, VA we had some great discussions with States and Industry on current tobacco issues such as Modified Risk Tobacco Products, flavor bans, heat-not-burn products, and the division of tobacco enforcement duties by federal agencies. We also got some updates of states who are going live with Uniformity in 2018 and we look forward to hearing from yet more in August. Since our April meeting our Committee has been busy presenting at all the Regional meetings. The Uniformity Committee is coming up with a list of potential topics for white papers, so if you have any ideas, please let any of the Chairs know.

Please welcome Mark Triplett (General Cigar) back as he rejoins Kara Parga (NE DOR) on The Forms and Technology Subcommittee.

- Hillary and Tim
The Compliance Subcommittee Update

At the April Uniformity meeting in Portsmouth, VA, the Compliance Subcommittee discussed several great topics!

**OTP Stamping** – A focus group, consisting of states, industry, and manufacturers (including stamp manufacturers), was formed to create a whitepaper on the pros/cons, concerns, etc. of OTP stamping.

**Flavor Bans** – Numerous State and Local tax jurisdictions have, or are considering, imposing these bans. Statute language differs by jurisdiction as to how the ban is enforced and who is responsible. Discussion ensued as to how wholesalers are able to track what is sold and where.

**Modified Risk Tobacco** – Kentucky, North Carolina, and Connecticut have language in their statute to allow a 50% or 25% tax reduction based on how the FDA will classify that tobacco product if the FDA determines the product qualifies as a modified risk tobacco product.

For compliance reasons, a uniform code for these two classifications of modified risk tobacco products was discussed.

The subcommittee concluded with a discussion on seized/confiscated products, tobacco auctions, and destructions.

In other news, Helen Hayes with Core-Mark is moving over from the Forms and Technology Subcommittee to the Compliance Subcommittee. Welcome, Helen!

~ Jeanne & Helen

The Forms and Technology Subcommittee Update

The Technology Subcommittee had a chance to get updates from different states regarding their status of implementing electronic reporting. We received an update from Kentucky about some of the issues they are facing during the final steps of creating a process to accept electronic files. Additional codes may need to be proposed to address the new segment of products classified as modified risk tobacco. Kentucky is also creating an Excel to XML converter to aid their taxpayers in creating a file that can be uploaded and processed. Other states in attendance provided quick updates and revealed that many states are in some stage of implementation. A new E-Commerce Survey will start making it around in order for the committee to be aware of when states are starting to implement and prepare to address upcoming needs of states during their development. The Electronic Filing Guide will continue to evolve as additional states are starting to implement the uniform schemas and variations and new topics are needed to incorporate the variations required by each state. The Table of Codes continues to grow as additional states contribute the codes needed to accommodate the different ways jurisdictions apply their tax laws to identify and categorize the various tobacco products.

~ Kara
Welcome to Orlando!! We are looking forward to a great meeting.

This past April in Portsmouth, Virginia, Communications & Legislation presented the latest and greatest Tobacco Tax Information by State (TTIbS) document. The version presented included interactive maps listing Fair Trade data, along with each state’s tobacco directory which lists compliant product for that state. In June each state was asked to provide updates (if applicable) to the information previously provided for in the TTIbS. Those updates can be found in the August 2018 publication. Some new questions collected over the past year will be presented at the August meeting and if approved, will be sent out in the coming months and added to a future TTIbS. We would like to thank all the states that have taken time out of their busy schedules to respond to the survey questions. This fluid document is a direct result of your hard work! Our hope is that ALL users will find the TTIbS beneficial.

Also in April, the subcommittee had another robust roundtable discussion of legislation and newsworthy trends. The topics were presented in a real-time manner (with news “hot off the press”) allowing attendees to be brought up-to-speed on matters that have a direct impact on both Government and Industry. We cannot wait to see what is “new in the news” come August!

~ Don and Dawn

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**Fun Facts from Jerry Leonard -OK DOR**

- Rodrigo de Jerez was one of the Spanish crewmen who sailed to the Americas on the Santa Maria as part of Christopher Columbus’s first voyage across the Atlantic Ocean in 1492. He is credited with being the first European smoker.

- The man responsible for introducing tobacco to Europe (see above) was imprisoned by the Spanish Inquisition because “only Devil could give a man the power to exhale smoke from his mouth.”

- The Flintstones was originally sponsored by Winston cigarettes, and was intended for adults.

- During the siege of Jerusalem in 1917, the British started to airdrop cigarettes filled with large doses of Opium, hoping that the Ottomans would be too stoned to fight and it worked.

- Sir Walter Raleigh took his pipe with him to the scaffold when he was beheaded in 1618

- The Declaration of Independence was written on hemp paper.

- All of the cigarettes smoked per year in the U.S. weigh as much as 350,000 VW Beetles

- Cigarette filters, tips and tobacco packaging make up 38% of debris collected at the yearly International Coastal Cleanup
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 Orlando, Florida! Did you know…?

- Orlando is home to more than 100 lakes. Lake Eola in downtown Orlando is actually a giant sinkhole and is 80 feet at its deepest point.
- Orlando was once the main hub of Florida’s citrus industry. A deep freeze in the late 1800s caused farms to move their citrus crops further south.
- There is no official documentation on how Orlando received its name, although it is known that the city was originally named Jernigan, after the first permanent settler in the area. Some believe it was named “Orlando” for a character in Shakespeare’s “As You Like It.”
- The Rogers Building and the 1890 Railroad Depot are the oldest remaining structures in downtown Orlando.
- 66 million people visited Orlando in 2015, more than any other destination in the world. The number of visitors in Orlando each day is equivalent to the population of Atlanta.
- Gatorland, the first theme park in Orlando, opened in 1949. Its main attraction was a 15-foot gator which was said to be the biggest in the world.
- Universal Studios opened in Orlando in 1990 with Nickelodeon, Back to the Future, E.T., Ghostbusters and The Bates Hotel attractions.
- To fund the demolition of its old city hall, Orlando enlisted the help of Hollywood. Producer Joel Silver who blew up the building for the opening scene of Lethal Weapon 3.
- The official nickname of the city of Orlando is “The City Beautiful.” It is also known as “O-Town.”
- The Orlando Magic NBA team was almost known as the Orlando Juice. A contest was held in 1987 to pick the name of the team. The finalists were the “Heat”, the “Tropics,” the “Juice,” and the “Magic.”
Training & Development Opportunities

FTA Tobacco Basic Training—Oct 21—25 2018 Greensboro, NC
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. See Cindy Anders-Robb or watch your email!

FTA/TTB Advance Class 1 Feb 4—8 (or 10—15), 2019 TBA

Uniformity Chairs

Hillary Bunker
State of Nevada

Tim Harris
Eby Brown Company LLC

Communication and Legislation
Don Anderson
State of Idaho

Dawn Evans
McLane Company Inc.

NEW!! Subcommittee Chairs

Compliance
Jeanne Thompson
State of Kentucky

Helen Hayes
Core-Mark International Inc.

Forms and Technology
Kara Parga
State of Nebraska

Mark Triplett
General Cigar

Tobacco Regional Officers

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Brian Schumacher, North Dakota
Governor
Rebecca Piroutek, South Dakota
Lt. Governor
Aaron Allen, Illinois
Secretary

Southern Region
Michael Gilstrap, South Carolina
Governor
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Jim Oliver, Kentucky

**National Vice Chair**
Deborah Cannon, Northern Virginia

**National Secretary**
Gerald Robinett, Missouri

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

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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.

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www.taxadmin.org

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Tobacco Uniformity
FEDERATION OF TAX ADMINISTRATORS