



# The Leaf Sheet



Volume 9

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## Message from the National Chair, Jim Oliver

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### \* Upcoming Meetings:

- \* Uniformity Meeting Tentative and TBD January 24—25, 2018
- \* Central Region Springfield, IL April 10—11, 2018
- \* Uniformity Meeting Portsmouth, VA April 18—19, 2018
- \* Western Region Jackson, WY May 2-3, 2018
- \* Northeast Region Tentative and TBD May 23—24, 2018
- \* Southern Region Montgomery, AL June 13 - 14

### Time Flies...

Another FTA Tobacco Tax Section year comes to a close and a new one begins with the Annual Conference. The passage of time always amazes me... Meetings seem to drag on and on, we wait on flights that are delayed or cancelled, and my lawn looks like a hayfield.... Maybe you can relate. If you are an active member of Uniformity or were involved in a regional conference or a training class this year I bet you can. We all, (even Cindy!), have employment and responsibilities “outside” of FTA. Yet somehow, we find a way to keep the Tobacco Tax Section moving forward! Kudos to you all.

As I mentioned, time flies... I have been at this tax stuff for over 30 years. My youngest baby daughter is 25 and just got her doctorate. I have two grandsons – they call me

Grandpa. When I slide into 3<sup>rd</sup> it hurts a lot more than it did 25-35 years ago. My hair, what is left of it, is thin and my beard is gray. Bifocals have forced me to point shoot my pistols and it is harder to see that whitetail buck in the thicket. Much of the music I like is on the ‘classic’ or ‘oldies’ channel. Just another comment or three on this...

My peers have moved on... They were outstanding in their field and wonderful role models. They were State Tax Administrators and Industry Representatives. They had the dedication and insight that you all have, but without cell phones and laptops. At the next FTA gathering, likely the Annual Conference in Spokane, look around you. Put the cell phone down and interact with your peers, (you can catch up on Facebook while I’m talking). You have a tremen-

dous amount in common. Get to know each other; they are your future life-long friends. 🙄 (I had to use one emoji!)

Time to close with a short story - When I was ten, my Grandfather and I took all the Christmas decorations down in early January. Outside lights from the shrubs, the big plastic Santa Claus that lit up, wreaths and bows... They all had a place out in the old garage. My Grandfather noticed I did not seem all too happy about the process and he asked me what was wrong. I told him it made me sad because it would be forever until it was Christmas again. He laughed and told me not to worry, we would be getting the decorations back out in no time at all. It did not make sense to me then... but it does now.

...time flies...

(Cont’d on pg 2)

## Message from the Uniformity Committee Chairs — Hillary Bunker and Tim Harris

Tim and I are looking forward to seeing everyone at the FTA Annual Meeting in Spokane, Washington. We have had a great year so

far and the Uniformity Committee accomplished quite a lot at the Tucson and Savannah meetings, as

well as generally throughout the year.

(Cont’d on pg 2)

## Message from Hillary and Tim, (continued from page 1).

We have worked on the format over the year and our Uniformity meetings now include an Industry breakout session, case studies, and hands-on examples for filling out reports.

We are excited to see all the presentations in Spokane, at both the Uniformity meeting as well as the Annual Meeting. We have two states that have adopted Uniformity's schedules and schemas and are going live with electronic filing at the end of this year. They will be discussing how they are implementing Uniformity and what other states can do to follow their lead.

Please check out our [updated](#) website

for information on meetings, who the Co-Chairs are, and what electronic documents you can view. If you have any ideas for topics to discuss at the Uniformity meetings, we always welcome your suggestions.

Please reach out to either of us, or any subcommittee member, if you have questions related to Uniformity, how you can get more involved, or when the next meeting will be.

*- Hillary and Tim*



## Message from Jim Oliver, National Chair, (continued from page 1).

It has been a pleasure being YOUR National Chair this past year! Thank you for everything you do for the benefit of us all.

Richard Parrott from California is our incoming National Chair. I look forward to his leadership and insight!

Cindy - Thanks for all you do!

Sincerely,  
Jim

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**"Put the cell phone down and interact with your peers, (you can catch up on Facebook while I'm talking)."**

## The Forms Subcommittee Update

Although uniform cigarette and tobacco schedules were adopted last year, the Forms Subcommittee continues to be busy. At the May Uniformity Meeting in Savannah, we walked attendees through a real-life example of an out-of-state cigarette filing using the uniform cigarette schedules. We demonstrated the flow of data input to the three cigarette uniformity schedules (Uniform Cigarette Transaction Schedule, Uniform Stamp Schedule, and Uniform Cigarette Inventory

Schedule) rolling up to a draft cigarette cover page. The draft cover page summarized the data by pack, stick and value to accommodate various state reporting styles.

After discussion, the group decided to table working on a cover sheet for tobacco and concentrate on further development of a cigarette cover page.

At the Uniformity meeting in Spokane, we will provide participants a hands-on cigarette example which will

include practice inputting source data into the uniformity schedules (and identifying the proper FTA uniformity codes that apply to each type of data) and carrying this data up to a draft cover page.

We look forward to seeing you there.

**- Barbara and Helen**

## The Communications and Legislation Subcommittee Update

Communication and Legislation Co-Chairs, Don Anderson (ID) and Dawn Evans (McLane), concentrated the Savannah, GA discussion on the Tobacco Tax Questionnaire to be used to populate the new Tobacco Tax Information by State (TTiBS) publication. The questionnaire was distributed to all in attendance so the states could better understand the project and see the scope of the questions being asked. Examples of the responses received were presented to give guidance to those states

yet to respond. As a subcommittee we tried to anticipate out next steps. We discussed those steps which included the presentation of the TTiBS in Spokane.

As of the Savannah meeting in May, a total of 13 states had completed the questionnaire. As of this writing, that number has grown to 33! Thank you to all those who took time from their busy schedules to contribute to this publication which is already proving to contain a wealth of information for many. The Communication and Legislation Subcommittee is looking for-

ward to the 2018 publication of the TTiBS when we hope to have an entry from every state.

May you learn a lot, network, and enjoy your time in Spokane!

### ~ Don and Dawn

"The Communication and Legislation Subcommittee is looking forward to the 2018 publication of the TTiBS when we hope to have an entry from every state"

## The Compliance Subcommittee Update

The Compliance Subcommittee presented a draft engagement plan focused on gaining state attendance at Uniformity Committee meetings. The plan is a multi-pronged approach that engages with stakeholders, seeks to expand compliance and focuses on education and participation. The Uniformity Committee discussed the merits of the engagement plan and the importance of uniformity in reporting and sharing information across states. Model

legislation for sharing information may be needed before information can be shared across states. Everyone agreed the use of the engagement strategy tools could help identify where states are in their current processes. This plan will also be presented at the annual meeting.

The Compliance Subcommittee conducted a small group breakout session to discuss a series of news articles on

the Henrico County cigarette bust. Each small group had the opportunity to review the media articles and discuss different aspects of the case including - What made the investigation successful? What loopholes in state law may have made the smuggling scheme possible? Participants were encouraged to engage in open dialogue and consider their own state laws and how they might prevent or deter this type of smuggling scheme in the future.



## Fun Facts from Jerry Leonard -OK DOR

The United States introduced the first federal tobacco tax in 1862 to help fund the Civil War. In 1883, tobacco taxes made up one third of the United States government's tax revenue.

According to data from the World Health Organization on cigarette taxes around the world, the US is ranked 36th out of the 50 most populous countries in terms of the percent of cigarette pack costs from taxes. Their data estimates that taxes make up 42.5% of the cost of a pack of cigarettes in the US, compared to 82.2% in the United Kingdom, which has the highest cigarette taxes.

Did you know smoking near Apple® computers voids the warranty?

## Compliance Subcommittee Update, continued from pg. 3

During the Government-only session, the group discussed the Master Settlement Agreement, inspection, audit, and stamping issues. State laws vary on penalties and procedures regarding confiscation. The group discussed the benefits of more uniform licensing among states and how this could be accomplished for Industry to apply for the different states' license. One thought was to create a State Tobacco License and Registration Listing which ties in with Industry's interest in supporting a central database (see Industry breakout discussion below).

Members of Industry met separately during the Government only session. The group discussed the news article breakout session and overall thought it was positive and led to good dialogue. The group continued brainstorming and discussing the "Benefits of Belonging" to Uniformity. Other topics included the Tobacco Tax Questionnaire and what Industry could do to support the effort, requirements to file via XML

and ultimately that XML filing requirements is each state's decision. Industry is interested in supporting a central database for FEIN/license information.

~ Jeanne and Sissy

## Technology Subcommittee Update

The first production schemas and filing guide have been finalized and approved; State Cigarette 2017 V1.1, State Tobacco 2017 V1.0, and FTA Tobacco Uniformity Electronic Filing Guide April 2017 V1.0 are available on FTA website.

As more states start to implement electronic filing these approved schemas will continue to change and adapt to the different reporting needs.

~ Kara and Mark

The hard work and collaboration from the states and industry members have produced a good starting point towards uniform filing.



## Welcome to Spokane, Washington! Did you know...?

Spokane, Washington is unique in many ways:

- It's the sunny side of the state
- Spokane means "Children of the Sun" in the local native language
- Founded in 1872 as Spokan Falls
- Hosted the 1974 World's Fair
- Created "Bloomsday," the largest timed running race in the nation
- Hosts "Hoopfest," the planet's largest three-on-three basketball tournament
- Features the "Hot Zone," free outdoor wireless internet in a 100 block area
- Childhood home of Bing Crosby
- Started Father's Day
- Home to four universities and a...
- Major medical and heart research center.



## Uniformity Chairs

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

Sissy Sawyer  
Altria Client Services

### Forms

Barbara Stoenner  
State of Oregon

Helen Hayes  
Core-Mark International Inc.

### Technology

Kara Parga  
State of Nebraska

Mark Triplett  
General Cigar

## Tobacco Regional Officers

### TOBACCO REGIONAL OFFICERS

#### Central Region

Brian Schumacher, North Dakota  
Governor

Bob Warnock, Cook County  
Lt. Governor

Rebecca Piroutek, South Dakota  
Secretary

#### Northeastern Region

Edward Olive, New York City  
Governor

Jim Galvin, Rhode Island  
Lt. Governor

Deborah Cannon, Northern Virginia  
Secretary

#### Southern Region

Emily Caraway, Mississippi  
Governor

Michael Gilstrap, South Carolina

Lt. Governor

Mark See, Tennessee  
Secretary

#### Western Region

Mark Shoenfield, Montana  
Governor

Vera Helbert, Oregon  
Lt. Governor

Justin Scott, Texas  
Secretary

## Tobacco Section Officers

#### National Chair

Jim Oliver, Kentucky

#### National Vice Chair

Richard Parrott, California

#### National Secretary

Deborah Cannon, Northern Virginia



## The Leaf Sheet

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and **Dawn Evans**

[www.taxadmin.org](http://www.taxadmin.org)

## 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.

