

Revenue Information Bulletin No. 016-007
March 4, 2016
Excise Taxes

Distribution of Available Cigarette Stamps

During the 2016 First Extraordinary Legislative Session, House Bill 14 was introduced. As of March 4, 2016 the legislation proposes an increase in the cigarette taxes of one and two-twentieths of one cent per cigarette or 22¢ per package of twenty cigarettes. This instrument, if enacted as currently written, would become effective on April 1, 2016, and the increase would apply to products purchased by retail dealers and wholesale dealers on and after April 1, 2016. The increase would not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to April 1, 2016. The instrument does not require a floor stock tax and no inventory would be required other than the inventory indicated on Line 1 of the monthly tobacco tax return.

The Department is already receiving an increase in stamp orders. In order to facilitate the distribution of cigarette stamps contractually available to the Department of Revenue in an equitable manner, the Department will prioritize stamp sales in order to ensure every wholesaler's normal allotment. Each wholesaler's purchase of tobacco stamps will be limited to their "normal" volume based on historical data of purchases during the previous months.

Questions concerning this matter may be directed to the Excise Division at 855-307-3893, Option 2 and then Option 1.

Kimberly Lewis Robinson
Secretary