

Notice

Notice Number: 02-04
Tax Type: Cigarette and Tobacco Products
Brief Description: Legislated (2002 Session) tax increase notification (inventory requirements) under Senate Bill 39.
Keywords:
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Body:

NOTICE 02-04

Notice of Cigarette Tax Increase and Inventory Requirements

To comply with recent legislative changes, your company is required to take inventory of the cigarette stamps not attached to cigarette packs (**Wholesalers Only**) and stamped cigarette packs (**Wholesalers, Retailers, and Vending Machine Operators**) on hand at 12:01 a.m., July 1, 2002. On and after July 1, 2002, the tax rate will be \$.70 on each pack of 20 cigarettes or fractional part thereof or \$.875 on each pack of 25 cigarettes. Senate Bill 39.

Your company is required to pay a tax of \$.46 on each 20-cigarette pack or \$.575 on each 25-cigarette pack in stock as of 12:01 a.m., July 1, 2002. **Payment of the additional tax on your inventory can be submitted in full or in three equal installments on July 30, September 30 and December 30, 2002.** Penalty and interest will be assessed if the payment is not received in a timely manner.

Enclosed are the Tax Rate Change Inventory Report (Form CG-117) and three cigarette tax payment vouchers (CGVs). Complete Form CG-117 and return it and the corresponding voucher with your initial payment. Please keep a copy of each voucher you submit as well as a copy of the Tax Rate Change Inventory Report for your records. You **do not** need to send a copy of the inventory report with each equal installment payment.

In January, 2003, the tax rate increases to \$.79 on each pack of 20 cigarettes or fractional part thereof or \$.99 on each pack of 25 cigarettes. Prior to that time, you will receive another Form CG-117 and payment vouchers that will need to be completed and returned.

Wholesalers: You may need to update your Tax Credit Bond. With the tax increase, the amount of the bond should be at least \$25,000.00. You may order against 85% of the bond, (\$21,250.00).

Please be advised that violations of these statutory provisions may result in license suspension or revocation and/or fines. Thank you for your cooperation in this matter.

Enclosures

Date Composed: 06/24/2002 **Date Modified:** 06/24/2002

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