

Notice

Notice Number: 99-02
Tax Type: Cigarette and Tobacco Products
Brief Description: House Bill 2568 implementation notice.
Keywords:
Effective Date: 05/20/1999
Approval Date: 05/20/1999

Body:

NOTICE 99-02

Summary of 1999 Cigarette and Tobacco Legislation

House Bill 2568, as enacted by the 1999 Kansas Legislature, requires any tobacco product manufacturer selling cigarettes to consumers within the state of Kansas to either become a participating manufacturer of the master settlement agreement entered into on November 23, 1998, or place into a qualified escrow fund by April 15 of the year following the end of a calendar year an amount based on the number of cigarette units sold. For the purposes of the master tobacco settlement, the legislation defines cigarettes to include roll-your-own tobacco. There are no changes in how the roll-your-own tobacco is taxed. The Kansas Department of Revenue is responsible for reporting the number of units sold based on the excise tax collected. The law is effective May 20, 1999.

For roll-your-own tobacco products, a change in the tobacco excise tax reporting is required to capture the quantity of roll-your-own tobacco products, by manufacturer, being shipped into Kansas. Beginning with shipments entering Kansas on May 21, 1999, the reporting of roll-your-own tobacco products must be documented. Attached is a new Schedule 2C, Monthly Report of Roll-Your-Own Tobacco Products, to report the quantity of the product being shipped into Kansas. A separate schedule will be completed for each manufacturer.

In-State Distributors: The Total Manufacturer's Net Invoice Price will be carried from Schedule 2C to line 1b on the Kansas Distributor's Tobacco Products Monthly Report. All other tobacco products will be reported using existing schedules and reported on line 1a of the monthly report.

Out-of-State Distributors: Complete Schedule 2C as an attachment to your monthly report, Out-of-State Tobacco Products Distributors Selling into Kansas (Schedule 6). There are no changes to the monthly report. On Schedule 6 you will continue to report by consignee.

There are no changes to the filing procedures for the reporting and remitting of tax for cigarettes brought into Kansas. The department can quantify the units sold for cigarettes from the current tax data collected.

Copies of Schedule 2C and the revised tobacco monthly report are enclosed for use in filing of the May return. Additional supplies of Schedule 2C and the monthly report will be mailed in June for subsequent reporting periods.

Taxpayer Assistance

If you have questions about these new provisions or their application, contact the office below.

Cigarette and Tobacco Excise Tax
Kansas Department of Revenue
915 SW Harrison St.

Topeka, KS 66625-0001
Phone: (785) 296-5329

Hearing Impaired TTY: (785) 296-3909

For questions regarding the legislation and the master settlement agreement contact the Kansas Attorney General's office at (785) 296-2215.

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May 27, 1999

Date Composed: 05/27/1999 Date Modified: 10/09/2001

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