

TTN: 136

May 2022

TOBACCO RETAILERS TOBACCO TAX ON TOBACCO INVENTORY ON-HAND

Introduction

The purpose of this notice is to inform tobacco retailers of their responsibility to calculate and remit tobacco tax on their tobacco inventory on-hand at the time of a tobacco tax change.

Procedures

- Tobacco retailers are required to calculate the additional tobacco tax due on their tobacco inventory on-hand at the time the tobacco tax changed takes effect.
- A retailer's tobacco inventory on-hand at the time of a tobacco tax change shall include:
 - All tobacco inventory at the retailer's place of business at 12:01 a.m. of the date of any tobacco tax change;
 - All tobacco inventory under the control of the retailer as of business at 12:01 a.m. of the date of any tobacco tax change;
 - All tobacco inventory invoiced by a wholesaler to the retailer before the date of any tobacco tax change, when this inventory was received by the retailer on or after the date of any tobacco tax change and tobacco tax was charged at the old rate.
- The additional tobacco tax shall be reported on a "[Tobacco Tax Self-declaration](#)" form.
- The "[Tobacco Tax Self-declaration](#)" form must be filed and the additional tobacco tax paid by the 20th of the month following the date of the tobacco tax change. Late returns may be subject to interest and penalties. Failure to file a return will result in an estimated assessment being made by the Department and may result in a tobacco license suspension.
- The Department will perform random audits of tobacco retailers to ensure compliance with this policy.
- The Department will review sales records of tobacco wholesalers for a period before and after the tobacco tax change to ensure compliance with this policy.

Further Information:

For copies of the [Tobacco Tax Act](#), [Revenue Administration Act](#) and [Regulations](#) or for any inquiries regarding this Tobacco Tax Notice please contact:

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This notice is prepared for information purposes only, and should not be considered a substitute for the statutes. Should there be any conflict between the contents of this notice and the statutes, the statutes shall prevail.