

Tobacco Tax Rules and Regulations For National Guard Canteens

The following rules and regulations covering the handling of tax-free tobacco products by the Alabama National Guard Canteens have been adopted by the Alabama Department of Revenue **and must be strictly complied with**. Failure to fully comply with these rules and regulations promulgated by the Adjutant General, with the approval of the Governor, shall subject a canteen to the revocation of its permit, making it necessary for the Department of Revenue to pick up the tax exemption certificates issued to such canteen.

1. PURCHASES. All untaxed tobacco products handled by a canteen must be purchased from and delivered by a wholesale tobacco distributor duly qualified with the Alabama Department of Revenue. The delivery by the distributor to the canteen must be by common carrier or distributor owned/leased vehicle. An authorized officer or employee of the canteen must issue and cause to be delivered to such wholesaler a purchase order showing in detail the total number of cartons of cigarettes, boxes of cigars, cases of smoking tobacco, etc. included in the purchase. The purchase order form has been mutually approved by both the National Guard and the Alabama Department of Revenue **and will include a space to receipt the distributor for the untaxed tobacco products at the time the distributor makes delivery of same to the canteen**. A copy of the purchase order from the canteen must accompany the shipment by the distributor to the canteen. Only those tax exemption certificates issued for the purchase of tobacco products may be used. The original, or white copy, of the certificate is to be delivered to the wholesaler.

2. SALES. Sales of unstamped tobacco products shall be limited to the quantity covered in the regulations of the Adjutant General.

3. RECORDS. Full and complete records covering each purchase of unstamped tobacco products must be kept by the canteen. **The pink copy of the tax exemption certificate which remains in the book must be kept**. Full and complete accounting for all sales of unstamped tobacco products must be made. **All tax exemption certificates must be accounted for and any certificate mutilated and not used to purchase tobacco products must be marked "void" and sent to the Tobacco Tax Section of the Department of Revenue with the next monthly report. Both the white original and the yellow copy of these voided certificates are to be transmitted**. The records of all canteens shall be subject to audit by duly authorized agents of the Department of Revenue at any time.

4. MONTHLY REPORTS. All canteens shall be required to file a monthly report **on or before the 10th of the following month, whether such canteen made any purchases of unstamped tobacco products or not**. This report shall show the invoice date, certificate number, invoice number, wholesale tobacco distributor, number of cigarettes, as well as the total tax value of cigarettes purchased and other tobacco products purchased. The tax value for cigarettes is calculated by multiplying the number of sticks received by 0.03375. See form TOB: NG-INST for instruction on calculating the tax value for Other Tobacco Products (OTP). In addition, the strength of the unit must be shown on the report. The report must be accompanied by the yellow duplicate copies of the tax exemption certificates issued to the wholesaler at the time of purchase. The monthly report forms are mailed periodically and additional tax exemption certificates will be furnished upon request as they are needed.