

FAQs Related to ACT 2014-341

DOES EVERY MANUFACTURER HAVE AN IMPORTER? Every manufacturer does not use an importer to distribute their tobacco products. Please refer to the definition of an importer shown on the Schedule D instructions at <http://revenue.alabama.gov/tobaccotax/TOB-SCHD.pdf> to determine if you have received tobacco products/brands from an entity which meets this definition.

HOW DO I KNOW IF A MANUFACTURER HAS AN IMPORTER? If you are not receiving cigarettes and roll-your-own from the manufacturer and are unaware if the entity you are receiving tobacco products/brands from meets the definition of an importer, please contact the entity to inquire if they are operating as an importer on behalf of the tobacco product manufacturer.

DO I NEED TO REPORT NATIVE AMERICAN CIGARETTE AND ROLL-YOUR-OWN SALES ON THE SCHEDULE D? Tobacco wholesalers and distributors are required to report all cigarette and roll-your-own sales made to federally-recognized Indian Tribes on the Schedule D according to non-participating manufacturers' brands and participating manufacturers' brands.

I HAVE NOT PREVIOUSLY BEEN FILING A SCHEDULE D; AM I REQUIRED TO FILE A SCHEDULE D? You are required to file a Schedule D if you are a permitted wholesaler, tobacco products distributor, or a retailer receiving unstamped cigarettes and/or roll-your-own tobacco.

SHOULD PIPE TOBACCO OR HOOKAH SALES BE REPORTED ON THE SCHEDULE D? Only cigarette and roll-your-own tobacco should be reported on the Schedule D.

WHEN MUST THE NPM BOND BE PROVIDED TO THE DEPARTMENT? The effective date of the bond requirement will be 10 days before the beginning of the first quarter of 2015 (December 20, 2014). For example, if a NPM wishes to be listed on Alabama's Directory for the first quarter of 2015, the quarterly NPM bond is due by December 20, 2014 and covers sales activity for the period January 1, 2015 through March 31, 2015.

WHAT HAPPENS IF A NON-PARTICIPATING MANUFACTURER/IMPORTER FAILS TO PROVIDE A BOND BY DECEMBER 20, 2014? Any non-participating manufacturer/importer that has not provided a bond by this date will not have its brand families included in the Directory of Cigarettes Approved for Stamping and Sale in Alabama.

WHAT AMOUNT IS REQUIRED TO BE POSTED ON A BOND? The bond amount shall be the greater of (i) the greatest required escrow amount due from the non-participating manufacturer/importer or its predecessor for any of the 12 preceding calendar quarters or (ii) \$25,000.