

**ALABAMA DEPARTMENT OF REVENUE
BUSINESS & LICENSE TAX DIVISION
TOBACCO TAX RULE**

810-7-1-.01. Tobacco Tax - Administration and Enforcement of the Provisions of the Alabama Tobacco Tax Act Insofar as It Relates to Damaged Cigarettes and other Damaged Tobacco Products while being Transported or while in the Custody of Warehousemen or Carriers, and Particularly as to How Such Damaged Products are to be Stamped and the Tax Thereon is to be Paid Where They are Sold or How Such Damaged Products Might Otherwise be Disposed of.

(1) By order of the Commissioner of Revenue on the 24th day of March, 1970, the following tobacco tax rule is effective. In all cases where cigarettes and other tobacco products as are described in Title 40-25-2, as amended, Code of Alabama 1975, are damaged while in the custody of any warehouseman or carrier and such damaged products, or the delivery thereof are refused by the wholesaler or consignee, the warehouseman or carrier, as the case might be, may sell such damaged products without first affixing the required tobacco tax stamps when such sales are made to a licensed wholesaler who has a stamping permit issued by the Department of Revenue under Title 40 - §§40-25-5 and 40-25-1, Code of Alabama 1975. Where such cigarettes and other tobacco products are damaged to such an extent that they are unfit for consumption then they shall be destroyed by the warehouseman or carrier involved, and the destruction of such products shall be accomplished in all such cases in the presence of an examiner or other agent of the State Department of Revenue, who shall make a full report to the Department concerning the same. Otherwise the tax on said products shall be due.

(2) In all other instances, the warehouseman or carrier involved must immediately stamp and pay the tobacco tax on such products.

(3) In cases where such damaged products are sold by the warehouseman or carrier to a licensed wholesaler as above referred to, then the warehouseman or carrier involved must immediately make a full report of same to the State Department of Revenue and shall furnish to the Department copies of all invoices or other records of such sales.

(4) Any violation of the above and foregoing regulation or the laws of this State pertaining to such cases will subject those persons involved to the penalties as are provided by law. (Statutory Authority §40-25-10)