

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

810-7-1-.03. Tobacco Tax Rules Applicable to National Guard Canteens.

This rule has been adopted by the State Department of Revenue and was promulgated by the Adjutant General with the approval of the Governor and if violated could result in the revocation of the canteen permit, making it necessary for the Department of Revenue to pick up the tax exemption certificates issued to such canteen.

(a) **Purchases.** All untaxed tobacco products handled by a canteen must be purchased from and delivered by a wholesale tobacco distributor duly qualified with the State Department of Revenue. The delivery by the distributor to the canteen must be made by a 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 State Department of Revenue and will include a space for the canteen to insert the Alabama tobacco tax exemption certificate number which will be used by the canteen 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.

(b) **Sales.** Sales of unstamped tobacco products shall be limited to the quantity covered in the regulations of the Adjutant General.

(c) **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 for unstamped tobacco products must be made. All tax exemption certificates must be accounted for and any certificates mutilated and not used to purchase tobacco products must be marked "void" and sent to the Tobacco Tax Division 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.

(d) **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 date, invoice number, wholesale tobacco distributor, as well as the total number of cartons of cigarettes, boxes of cigars, etc. covered by each purchase. In addition, the State tax value of these tobacco products must be shown on this report as well as the strength of the unit. 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. (Statutory Authority §40-25-15(e))