

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

810-7-1-.08. Procedure for Reporting and Payment of Tobacco Taxes on Tobacco Products Other Than Cigarettes.

(1) The license or privilege tax specified in Code Section 40-25-2 on all tobacco products other than cigarettes shall be paid on all purchases or receipts by any qualified wholesale distributor or retailer and any other person, firm, corporation, club or association within the State of Alabama when received for the purpose of selling, storing or distributing the tobacco products.

(2) Payment of the tax due, if any, and a report, on a form prescribed by the Department, shall be filed with the Department on or before the twentieth day of each calendar month showing all receipts of tobacco products for the preceding calendar month. A copy of the report shall be maintained by the taxpayer, along with proper documentation which adequately differentiates and substantiates the amount of tax paid and all deductions, exemptions or credits claimed for each reporting period. Failure to receive a report form does not relieve the taxpayer from filing a report on or before the due date.

(3) Payments may be by cash, check, electronic funds transfer (subject to the electronic funds transfer provisions), or any other legal tender.

(4) The full amount of tax due shall be paid to the State Department of Revenue in the manner and time allowed above without any discount or offset being allowed, except for tobacco products returned to the manufacturer for credit as described herein.

(5) Qualified wholesalers whose tobacco products are returned to the manufacturer or destroyed by the manufacturer's representative due to such products becoming unfit for use or consumption or unsaleable, before or after distribution, shall be allowed a credit on their monthly tax report only in the month in which proper documentation is received from the manufacturer. The following documents are required to substantiate credits: an original affidavit from the manufacturer, credit memorandum and a copy of the qualified wholesaler's invoice to the manufacturer, and such other documentation as the Department of Revenue may require.

(6) Sales exempted from tobacco tax by law are to be excluded from the taxable measure in the month that the sales occur.

(7) Every manufacturer, distributor, and importer shall file with the Department of Revenue a report concerning all sales, releases and deliveries of tobacco products to qualified wholesalers and retailers of this state made or authorized by such manufacturer, distributor or importer during the preceding calendar month. Such manufacturer, distributor or importer shall also file a report each month showing all shipments of tobacco products from a point outside this state into this state during the preceding calendar month.

(a) The report required from manufacturers, distributors or importers shall provide the following information concerning each sale, release or delivery:

1. Name and address of purchaser.
2. Invoice or document number and invoice date.
3. Information pertaining to cancellation of invoices.
4. Gross billing appearing on the invoice.

(b) Each manufacturer, distributor or importer shall file the monthly report with the Department of Revenue by the last day of each calendar month.

(8) The regulations relating to the taxation and reporting for tobacco products other than cigarettes shall pertain to county taxation of tobacco products other than cigarettes with the following exceptions:

(a) The tax prescribed by a county shall be paid on all sales of tobacco products other than cigarettes by any qualified wholesaler or retailer or any other person, firm, corporation, club or association by the twentieth of the next calendar month following the month in which such sales occur.

(b) Any tobacco products returned to the manufacturer as provided in subparagraph (5) above. In addition to the documents enumerated in subparagraph (5), an authentic credit invoice or memorandum initiated by the qualified wholesaler to the purchaser of said products shall be provided.

(Statutory Authority §§ 40-25-2(a), 40-25-2(g), and 40-25-7, et al.) (Effective May 26, 1989; amended effective March 28, 2003)