



JULIE P. MAGEE
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

September 18, 2015

MICHAEL E. MASON
Assistant Commissioner

JOE W. GARRETT, JR.
Deputy Commissioner

CURTIS E. STEWART
Deputy Commissioner

NOTICE: All Tobacco Wholesalers

Tobacco Tax Increase and Floor Stocks

On September 17, 2015, Governor Robert Bentley signed into law **Act No. 2015-535** which becomes effective October 1, 2015. The Act increases the cigarette tax rates. The new tax rate for a pack of 20 cigarettes is \$0.675. The new tax rate for a pack of 25 cigarettes is \$0.84375. The discount is reduced from 7.5% to 4.75%. In addition, the discount reduction applies to state-administered county stamp purchases.

Floor Stocks

The additional tax levy of \$.25 and \$.3125 per revenue stamp is applicable on October 1, 2015. All revenue stamps affixed and unaffixed to cigarette packs must be revalued and the additional tax levy less the discount must be remitted to the Department. You will need to take a physical inventory of all stamps affixed and unaffixed to cigarette packs that are held by you for resale. Since the Act's effective date is on the first day of the month the floor stocks report should coincide with your ending inventory as of September 30, 2015, as shown on your monthly wholesaler's report. Cigarette and stamp inventories are subject to field audit verification by the Department.

Floor Stocks Report Due Date

The liability due related to the floor stocks tax must be posted to your account in order to be available for payment on the due date. Therefore, the floor stocks report for all tax stamps revalued as of the effective date of the Act is due by **October 20, 2015**. Please see the enclosed form or visit the Department's webpage at www.revenue.alabama.gov to download a copy.

Floor Stocks Tax Payment Due Date

The additional tax levy less the revised discount rate of 4.75 percent will be due on your cigarette floor stocks 30 days (**November 2, 2015**) from the effective date of the Act.

Cash Orders

Cash stamp orders placed on September 30, 2015 must be at the new rate of \$0.675 since the Department will not receive the payment until October 1, 2015.

Bonds

Due to the tax increase, distributors maintaining consignment tax bonds should evaluate their bond limits to ensure the amount meets the tax requirements.

Questions

Please contact us at the address or telephone number below.

Business and License Tax Division
Tobacco Tax Section
P O Box 327555
Montgomery, AL 36132-7555
(334) 242-9627



**Alabama Department of Revenue
Business & License Tax Division
Tobacco Tax Section
P. O. Box 327555 • Montgomery, AL • 36132-7555
Telephone (334) 242-9627 Fax (334)242-9706**

**ADDITIONAL CIGARETTE TAX REPORTING FORM PURSUANT TO ACT No. 2015-535
(Floor Stocks Tax)**

COMPANY NAME: _____ PERMIT/REG #: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

CONTACT NAME AND TELEPHONE NUMBER: _____

	Cigarette Stamp Type	# of Stamps	Rate	Tax Due
1.	Affixed Alabama pack of 20 Stamps		\$0.25	\$
2.	Unaffixed Alabama pack of 20 Stamps *		\$0.25	\$
3.	Affixed Alabama pack of 25 Stamps		\$0.3125	\$
4.	Unaffixed Alabama pack of 25 Stamps*		\$0.3125	\$
5.	Total affixed and unaffixed stamps (Add lines 1-4)		Total tax due (Add lines 1-4)	\$
			Less 4.75% Discount	-
			Net Tax Due by 11/2/15 (Total tax due less discount)	\$

*This amount should coincide with your ending inventory as of September 30, 2015 as shown on your monthly wholesaler's report.

I hereby certify that a physical inventory has been calculated as of the opening of business October 1, 2015, on all stamped cigarettes and all unaffixed cigarette tax stamps on hand and it has been determined that this entity owes additional State tobacco tax according to Act No. 2015-535.

Under penalties of perjury, I hereby certify the above information to be true and correct.

Signature: _____

Type or print signature name: _____

Title: _____ Date: _____

All distributors must file this report by **October 20, 2015**. Payment of the additional tax levy is due 30 days (**November 2, 2015**) from the effective date of the Act. Payment must be remitted via My Alabama Taxes (MAT). Failure to timely remit this additional tax will cause forfeiture of the 4.75 percent discount and will subject you to penalties and interest.

This form must be submitted to the above address or via fax by October 20, 2015.