

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-7-1-.26

Rule Title: Procedures for Reporting Sales of Tobacco Products for Resale in this State

XX New;        Amend;        Repeal;        Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

       No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

       Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?

       No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

       No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

       N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

       Yes

\*\*\*\*\*

Does the proposed rule have any economic impact?

       Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer *Michael D. Smith*

Date 5/20/14

APA-6  
10/96

**ECONOMIC IMPACT STATEMENT  
FOR APA RULE  
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-7-1-.26

Rule Title: Procedures for Reporting Sales of Tobacco Products for Resale in this State

New  Amend  Repeal  Adopt by Reference

- NO This rule has no economic impact.  
 YES This rule has an economic impact, as explained below:

1. **NEED/EXPECTED BENEFIT OF RULE:**  
The rule is needed to require each tobacco wholesaler, jobber, semijobber, registered retailer, importer or any other person selling, receiving, or distributing tobacco products in this state for resale to file a monthly report of its sales activity with the Alabama Department of Revenue. This report will allow the Department to track tobacco sold in Alabama for resale to ensure that state and state-administered county tobacco taxes are appropriately remitted.
2. **COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**  
Same as above.
3. **EFFECT OF THIS RULE ON COMPETITION:**  
N/A
4. **EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**  
N/A
5. **EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:**  
N/A
6. **SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:**  
Appropriations

7. **THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:**  
Taxpayers may have additional computer programming costs in order to ascertain the required data and report it to the Department of Revenue. The State will benefit from this rule because the Department will receive a report of tobacco products sold for resale. The Department will be able to audit/review the information contained on this report to ensure that state and state-administered county tobacco taxes are paid on tobacco products entering the State untaxed. It will allow the Department to better track tobacco products sold for resale in Alabama and assist in combating tobacco tax evasion and fraud.
  
8. **UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:**  
N/A
  
9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:**  
N/A
  
10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:**  
N/A
  
11. **OTHER COMMENTS:**  
N/A

APA-2  
11/96

**ALABAMA DEPARTMENT OF REVENUE  
Business & License Tax Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-7-1-.26                      Procedures for Reporting Sales of Tobacco Products for Resale in  
this State

**INTENDED ACTION:**        Adopt the above rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above rule to clarify the requirements for reporting sales of tobacco products which are made for resale. In addition, the form used to report the sales is being added as an appendix to the rule chapter.


**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 2:30 p.m. on Wednesday, July 9, 2014, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at [www.revenue.alabama.gov/rulehear.html](http://www.revenue.alabama.gov/rulehear.html).

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**  
Wednesday, July 9, 2014

**CONTACT PERSON AT AGENCY:**

Patricia Toles  
Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380

  
Michael D. Gamble, Secretary  
Alabama Department of Revenue

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810-7-1-.26 Procedures for Reporting Sales of Tobacco Products for Resale in this State.  
**(NEW RULE)**

(1) Pursuant to Act No. 2014-262, Section 40-25-16.1, Code of Alabama 1975, each wholesaler, jobber, semijobber, registered retailer, importer or any other person selling, receiving, or distributing tobacco products in this state for resale is required to file a monthly report of activity with the Alabama Department of Revenue.

(2) The report shall include, but not limited to:

- (a) The customer's name.
- (b) Address.
- (c) Invoice number.
- (d) Invoice date.
- (e) A description of the tobacco products.
- (f) The itemized tax.

(3) The report shall be due no later than the twentieth of the each month for the preceding calendar month's sales for resale activity. The first report is due November 20, 2014 showing October 2014 activity.

(4) Failure to timely file the report shall result in the levy of penalties according to the provisions of Title 40, Chapter 2A, Section 11(a), Code of Alabama 1975.

(5) Retailers who only sell to end-users (consumers) and who make no sales for resale are not required to file this report.

(6) This report shall be filed electronically according to Revenue Rule 810-7-1-.25.

Author: Loretta Nelson  
Authority: Sections 40-2A-7(a)(5), 40-25-16.1 and Title 40, Chapter 30, Code of Alabama 1975.  
History:

APPENDIX DIVISION

FORMS

CHAPTER 810-7-1

Report of All Tobacco Sales for Resale - TOB: SALES FOR RESALE (10/14)  
Rule 810-7-1-.26 Procedures for Reporting Sales of Tobacco Products for Resale in this  
State



## **Instructions**

The report must be filed with the Alabama Department of Revenue between the first and the twentieth of each month for the previous month's activity. This form is due regardless of activity. If there is no activity during the month, a report must be filed. A \$50 penalty will apply if the report is not filed timely.

**Invoice Date:** Show the date of the invoice.

**Invoice Number:** Show the invoice number.

**Customer's Name and Address:** Show the name and address of company to whom products were sold for resale.

**Description of Product Sold:** Show the type of product sold (cigarettes, snuff, chewing tobacco, smoking tobacco, R-Y-O, cigars, little cigars, filtered cigars - weighing 3 lbs. or less/1,000, filtered cigars - weighing more than 3 lbs./1,000 or cigar wrappers) along with a detailed description of the item. Show one product type sold per line.

Smoking Tobacco includes pipe tobacco, roll-your-own (R-Y-O) and any other tobacco products classified as smoking tobacco.

Roll-your-own (R-Y-O) is any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.

Filtered cigars are cigars that have a cellulose acetate or similar integrated filter, made of tobacco, or any substitute therefor.

**State Tax Paid:** The amount of tax you paid to the Alabama Department of Revenue. Leave blank if you did not pay the state tax directly to the Department.