



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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Dear Taxpayer,

This letter serves as a reminder that cigarettes and other tobacco products ("OTP") are highly regulated products and retail dealers must comply with the provisions found in Nevada Revised Statute ("NRS") Chapter 370 and Nevada Administrative Code ("NAC") Chapter 370. Violations of Chapter 370 may result in civil penalties, gross misdemeanor charges, and the suspension and/or revocation of your retail dealer's license. It is the retail dealer's responsibility to know and follow all Nevada laws and regulations related to tobacco.

Below is a partial list of the laws retail dealers are required to follow. This list is not exhaustive and retail dealers are on notice that they must comply with all portions of NRS 370 and NAC 370, whether or not explicitly set forth in this list:

- All cigarettes and OTP must be purchased from Nevada licensed wholesale dealers.
- OTP purchased from an unlicensed company is contraband and subject to seizure.
- All lists of Licensed Cigarette Wholesale accounts, OTP Wholesale accounts, the Nevada Tobacco Directory, Tribal Accounts and other cigarette and OTP forms and reports can be found on the Department of Taxation's ("Department") website, <https://tax.nv.gov>. Retailers must refer to these lists when purchasing product to ensure the vendor is licensed and the product may legally be sold in Nevada.
- Retail dealers cannot purchase cigarettes and/or OTP from another licensed retail dealer.
- It is the retailer dealer's responsibility to ensure that all cigarette packages received from the vendor are properly stamped, with clear identifying marks and legible numbers. Cigarette packages with missing or partial stamps are considered contraband and are subject to seizure.
- Cigarettes must be sold in packs or cartons. Selling single cigarettes or "loosies" is illegal.
- Retailers may only sell cigarettes and roll-your-own (RYO) cigarette tobacco brands listed on the Nevada Tobacco Directory. It is the retail dealer's responsibility to know which brands it may legally possess and sell in Nevada.
- Retail dealer's business locations are subject to compliance inspections at any time during normal business hours or at any other time if a warrant is obtained.
- All invoices, reports and records must be kept at the licensed location for a minimum of five (5) years. All tobacco transaction invoices, related journals, shipping logs and any reports and records used to prepare monthly reports must be provided during a compliance inspection and/or audit.
- In the event of an inspection and/or audit, if the records are incomplete or questionable, retail dealers may be required to provide additional records to include, but not limited to, all

purchase invoices, sales invoices, bank statements, credit card statements, financial statements and IRS tax returns.

- Failure to provide reports and records during an audit may result in the temporary suspension and/or permanent revocation of a retailer's license.
- It is illegal to purchase cigarettes and OTP for resale, sell cigarettes and OTP, and/or operate a cigarette rolling machine without first obtaining a tobacco license from the Department.
- It is illegal to sell cigarettes, OTP, products made or derived from tobacco, and/or e-cigarettes (including components, cartridges and e-liquids) to someone under the age of eighteen (18).
- It is illegal to place a cigarette vending machine in a public area unless people under the age of twenty-one (21) are prohibited from loitering.
- All tobacco licenses must be signed by an authorized person of the company and posted at the business location in a conspicuous place visible to the public.
- A license must be obtained for each business location from which cigarettes or OTP will be sold.
- Retail dealers must submit a new application to notify the Department when they have changed their business location, ownership, corporate and/or fictitious business name.
- Retail dealers must notify the Department when they close their business.
- The retailer dealer's license expires on December 31st of each year and a new license will be issued prior to the expiration date. It is the retailer's responsibility to ensure the new license is received and it is posted in a conspicuous place visible to the public.
- Cigarette packages affixed with Tribal stamps can only be sold and delivered to an Indian Tribe, Reservation or Tribally trusted land.

Please note that NRS Chapter 370 cited above, and all the provisions required of tobacco retailer dealers, may be found on the official website of Nevada Legislature, <https://www.leg.state.nv.us/NRS/NRS-370.html> and <https://www.leg.state.nv.us/NAC/NAC-370.html> .

Additionally, the Department now has LISTSERV for cigarettes and OTP which will allow retailers to receive periodic updates and/or industry related correspondence via email. Retail dealers are encouraged to sign up for these services in order to stay well-informed of the Department's communication and trends or activities within the industry.

Any tobacco related correspondence or questions may be submitted to taxation-adminMSA@tax.state.nv.us.

Sincerely,

Department of Taxation