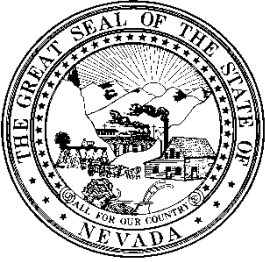

NEVADA DEPARTMENT OF TAXATION

<http://tax.nv.gov>



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Reporting Requirements for Cigarette Wholesalers/Retailers

Introduction

This bulletin provides information regarding requirements for those licensed in Nevada as a Cigarette Wholesaler and/or Cigarette Retailer.

Statutes and/or Regulations referenced

NRS 370.025, NRS 370.032, NRS370.033, NRS 370.035, NRS 370.080, NRS 370.090, NRS 370.100, NRS 370.130, NRS 370.140, NRS 370.150, NRS 370.170, NRS 370.175, NRS 370.696, NAC 370.030, Title 15 U.S.C. §§ 375-377

Licensing

Any person intending to make cigarette sales as a wholesaler or a retailer in Nevada must first apply to the Department of Taxation (Department) for authority to make such sales. Applications should be mailed directly to the Department. Upon receipt, the Department, in conjunction with the State of Nevada Attorney General's office, reviews the applications. Upon receiving all required information, licensing fees and required bonding amount, the Department may approve and issue the Cigarette Wholesale license. Licenses are location specific and are not transferrable. Each license issued by the Department is valid only for the calendar year for which it was issued and must be renewed annually. Licenses must be posted in a conspicuous place on the premises for which the license was issued.

Wholesaler Requirements

All licensed Nevada cigarette wholesalers are required to maintain, on hand at all times, a cigarette inventory of \$10,000.00 in wholesale value.

Wholesalers may only purchase from licensed Nevada manufacturers or other licensed Nevada wholesalers. Licensed Nevada wholesalers located in this state must stamp all applicable cigarette packages received at their location within 20 days of receipt of those packages. The part of stock that is identified for sale or **distribution outside this** state must be identified in the warehouse as such within 20 days of receiving that stock. Stock for out-of-state distribution must be stored separately from Nevada stamped product and cannot be transferred by the wholesale dealer to another facility of the wholesale dealer within the borders of this state or to any other person within the borders of this state. Cigarettes sold to licensed Nevada retailers must be stamped with Nevada indicia (stamp).

Once stamps have been affixed to a package of cigarettes, (cigarette), the stamps must be intact and all of the numbers on the stamp must be clearly legible. Wholesalers cannot sell to Nevada retailers, cigarettes bearing any other jurisdiction's indicia other than Nevada's. Only those retailers located on tribal land may have tribally stamped cigarettes.

The following will be considered unstamped product and will therefore be subject to seizure by the Department and possible civil penalties: cigarettes that are not properly stamped sold to retailers; that are stamped tribally but are not on tribal land; the stamp is not a Nevada stamp; that have no stamp or are stamped but the stamp is not intact (the numbers on the stamp are not clearly legible).

Monthly reports are due to the Department by the 25th day of the month following shipments. Reports can only be submitted to the Department on forms as provided by the Department. If the monthly report form is not received from the Department, it may be obtained via the Department of Taxation's website at <http://tax.nv.gov/uploadedFiles/taxnvgov/Content/Forms/eUploadPacketMSA-NV%208-5-15.xls>. Wholesalers must keep copies of invoices or equivalent documentation for each of their facilities for every transaction in which the wholesale dealer is the seller or purchaser.

Retailers

Nevada licensed retail dealers (retailers), can only purchase from a Nevada licensed wholesaler. It is the responsibility of the retailers to ensure all cigarettes in their possession contain the proper Nevada cigarette revenue stamps (stamps). The stamps must be intact and all of the numbers on the stamp must be clearly legible. Retailers cannot have in their possession cigarettes bearing any other state's indicia other than Nevada's. Only those retailers located on tribal land may have tribally stamped cigarettes.

Cigarettes found in retail premises that are not properly stamped, stamped with a tribal stamp not on tribal land, stamped with another jurisdiction's indicia, unstamped, or partially stamped where the numbers on the stamp are not clearly legible, will be considered unstamped product and are therefore subject to seizure by the Department and civil penalties may be issued. When cigarettes are received from a Nevada licensed wholesaler they should be carefully checked to ensure that all packs are properly stamped. Any packs that are not properly stamped should be immediately returned to the wholesaler.

Prevent All Cigarette Trafficking Act (PACT) Reports

Any person who sells, transfers, or ships for profit, cigarettes in interstate commerce into this State, locality, or onto tribal land located in Nevada is required to submit PACT reports in accordance with title 15 of U.S.C. §§ 375-377. PACT reports are due to the Department no later than the 10th day of each calendar month for the previous calendar month's shipments.

Responsibilities of all manufacturers, wholesale dealers and retail dealers

It is the responsibility of all manufacturers, wholesale dealers and/or retailers, to be fully aware of all applicable statutes and regulations related to tobacco and to comply with all state and federal laws. Failure to follow any laws related to tobacco enforcement may result in various penalties including, but not limited to, monetary fines, stamping privilege suspension, license suspension, license revocation, tobacco Directory delisting, and criminal charges.

For more detailed information regarding the applicable requirements for Nevada licensed wholesalers or retailers please visit our website at:

http://tax.nv.gov/Forms/Cigarette_and_Other_Tobacco_Products_Tax_Forms/