

**Massachusetts Department of Revenue
CIGARETTE AND TOBACCO EXCISE UNIT**

NOTICE TO STAMPERS

**INFORMATION REGARDING THE INCREASE IN THE CIGARETTE EXCISE AND SMOKELESS
TOBACCO EXCISE**

The increase on the cigarette excise and smokeless tobacco excise will be effective at the opening of business on July 31, 2013.

Cigarettes: The amount of the increase on cigarettes will be \$1.00 per pack of 20's and \$1.25 per pack of 25's.
For a pack of 20 cigarettes the new excise will be \$ 3.51.
For a pack of 25 cigarettes the new excise will be \$ 4.3875.

Smokeless Tobacco: The tax rate on smokeless tobacco will increase from 90% to 210% of the wholesale price paid.

Inventory Tax for Cigarettes and Unapplied Old Stamps:

An inventory tax will be imposed on all stamped cigarettes (including little cigars) and all unapplied stamps, on hand at the opening of business on the effective date. Enclosed find Form CIS (Cigarette Inventory Tax Return for Stampers) to be filed by August 20, 2013 to remit the inventory tax. This return will include all cigarettes in transit that will be delivered by you on or after July 31, 2013.

Stamps on hand at the opening of business on the effective date will be subject to the additional excise. The excise is due on all stamps on hand on July 31, 2013 and any stamps in transit that are invoiced at the old rate.

An inventory of all unstamped cigarettes will also be required on the inventory return.

Form CIS may be obtained on the DOR website: mass.gov/dor/tobacco

Please retain all documentation for audit purposes.

Information for the monthly returns Form CT-1 and CTS-1NR:

The August 2013 monthly return will be for the period July 31 – August 31 2013.

Inventory on Form CT-1 & CTS-1NR – The beginning Inventory (line 1) for the August 2013 return (beginning July 31, 2013) will be the ending inventory (line 4) from the July 2013 return (ending July 30, 2013) times the new tax rates. This should match what was reported on Form CIS.

For the ending inventory (line 4) for August 2013 use the rates of \$3.51 for 20's and \$ 4.3875 for 25's

Use the rate .1755 per cigarette for Form CT-1 on lines 14, 17 and 19 and for Form CTS-1NR on lines 7, 14 and 16.

Use the new smokeless tobacco excise rate of 210% on line 21 for Form CT-1 and on line 18 for Form CTS-1NR.

Retailers will also be subject to the inventory tax. Form CIN (Cigarette Inventory Tax Returns for Non-Stampers) will be mailed to all the licensed retailers. If any retailer has not received a cigarette inventory form in the mail, he can obtain the form from DOR's website: mass.gov/dor/tobacco

You may file an Application for Abatement (CA-6) for all misapplied and unusable red and gold stamps if you do not include them in your unstamped inventory. Note: all stamps on hand on August 1 2013, must be included in the inventory.

Increased riders on your bond may be necessary. If required, please submit your increase as soon as possible to the Cigarette and Tobacco Excise Unit.

If you have any other questions regarding the increase, please call the Cigarette and Tobacco Excise Unit at 617-887-5090.