

Pennsylvania Stamped Cigarettes, Unstamped Little Cigars and Unaffixed Stamp Inventory
 As of close of business July 31, 2016

| | | |
|--|---------------------------------|---|
| | CIGARETTE TAX ACCOUNT ID | Make check or money order payable to: PA DEPARTMENT OF REVENUE Mail to: PA DEPARTMENT OF REVENUE MISCELLANEOUS TAX (CIG) PO BOX 280408 HARRISBURG PA 17128-0408 |
| | SALES TAX ACCOUNT ID | |
| | FIEN/SSN | |

Effective August 1, 2016, the Pennsylvania cigarette tax rate will increase from \$1.60 to \$2.60 per pack of 20 cigarettes/little cigars; and from \$2.00 to \$3.25 per pack of 25 cigarettes/little cigars. Stamped cigarettes in Philadelphia will increase from \$3.60 to 4.60 per pack of 20 cigarettes/little cigars and from \$4.50 to \$5.75 per pack of 25 cigarettes/little cigars.

All cigarette dealers must file a return on or before October 31, 2016. Please refer to the instructions on the reverse side of this notice.

Section I

Inventory of Pennsylvania stamped packs of cigarettes/little cigars

| | No. of Packs | Rate | Tax Due |
|--|--------------|------------|---------|
| 1) Number of packs of 20 cigarettes/little cigars | | X \$1.00 = | \$. |
| 2) Number of packs of 25 cigarettes/little cigars | | X \$1.25 = | \$. |
| 3) Number of Philadelphia packs of 20 cigarettes/little cigars | | X \$1.00 = | \$. |
| 4) Number of Philadelphia packs of 25 cigarettes/little cigars | | X \$1.25 = | \$. |
| 5) Balance due from inventory of packs of cigarettes and little cigars (add Lines 1 through 4) | | | \$. |

Section II

Pennsylvania Resident Cigarette Stamping Agents Only: Record the inventory of unstamped and foreign stamped cigarettes.

| | Cigarettes | Little Cigars |
|---|------------|---------------|
| 6) Number of packs of unstamped 20 cigarettes/little cigars | | |
| 7) Number of packs of unstamped 25 cigarettes/little cigars | | |
| 8) Number of packs of foreign stamped cigarettes | | |

Section III

Inventory of unaffixed Pennsylvania and Philadelphia tax stamps

| | No. of Stamps | Rate | Tax Due |
|---|---------------|------------|---------|
| 9) Number of unaffixed \$1.60 PA stamps | | X \$1.00 = | \$. |
| 10) Number of unaffixed \$2.00 PA stamps | | X \$1.25 = | \$. |
| 11) Number of unaffixed \$3.60 Philadelphia stamps | | X \$1.00 = | \$. |
| 12) Number of unaffixed \$4.50 Philadelphia stamps | | X \$1.25 = | \$. |
| 13) Balance due from inventory of unaffixed tax stamps (add Lines 9 through 12) | | | \$. |

Section IV

| | |
|---|------|
| 14) Penalty and Interest if filed after October 31, 2016 (see instructions on the back) | \$. |
| 15) Total Amount Due (Add Lines 5, 13 & 14) | \$. |

Important: Failure to file this return and pay the floor tax due will result in the imposition of penalties and interest and may result in criminal prosecution pursuant to 72 P.S. § 8276.

I hereby certify that this return is true and correct.

| | | |
|-----------|-------|------|
| SIGNATURE | TITLE | DATE |
|-----------|-------|------|

INSTRUCTIONS FOR CIGARETTE STAMPING AGENT FLOOR TAX RETURN

Effective Date of Tax Change - Effective August 1, 2016, the Pennsylvania cigarette tax will change from \$1.60 to \$2.60 per pack of 20 cigarettes/little cigars and from \$2.00 to \$3.25 per pack of 25 cigarettes/little cigars. Stamped cigarettes in Philadelphia will change from \$3.60 to \$4.60 per pack of 20 cigarettes/little cigars and from \$4.50 to \$5.75 per pack of 25 cigarettes/little cigars. The Pennsylvania cigarette tax rate on unstampable little cigars will change from 8 cents per little cigar stick to 13 cents per little cigar stick and the unstampable little cigar tax rate in Philadelphia will change from 18 cents per little cigar stick to 23 cents per little cigar stick.

On August 1, 2016, stamping agents, wholesalers, retailers and vending dealers will have on hand cigarettes/little cigars and unaffixed stamps bearing the old rate. To adjust this inventory to the new rate, all agents and dealers must pay a floor tax on all Pennsylvania and Philadelphia stamped cigarettes/little cigars on hand as of the close of business July 31, 2016. Cigarette Stamping Agents must pay the floor tax on full and partial rolls of unaffixed cigarette stamps and account for unstamped cigarettes/little cigars as of the close of business July 31, 2016. Use the results of the inventory to complete this return and file it with your payment on or before October 31, 2016. Every cigarette licensee must file a return even if no cigarettes/little cigars are in inventory.

NOTE: Vending machine operators have an option of reporting their inventory of Pennsylvania stamped cigarettes/little cigars as either a) an actual physical count of all cigarettes/little cigars in the vending machines, or b) a calculated figure of 60 percent of the charge-out inventory. Charge-out inventory is the amount of cigarettes/little cigars shown as the normal fill capacity of each machine.

Monthly Reporting for Cigarette Stamping Agents:

CSA's will be required to file a monthly report using the period beginning July 1, 2016 and ending July 31, 2016.

Rate of Tax - The Pennsylvania cigarette/little cigar and unstampable little cigar tax rate will change from 8 cents per cigarette to 13 cents per cigarette. Cigarettes/little cigars and unstampable little cigars sold in Philadelphia will change from 18 cents per cigarette to 23 cents per cigarette. The floor tax per pack of 20 cigarettes/little cigars and unaffixed stamps is \$1.00. The floor tax per pack of 25 cigarettes/little cigars and unaffixed stamps is \$1.25.

Filing Requirements - A return for each licensed location must be filed on or before October 31, 2016. Please make checks payable to the **PA Department of Revenue**.

Record Retention - You must retain a copy of the completed tax return and supporting inventory documents for a period of four (4) years.

Unsaleable Cigarettes/Little Cigars - Unsaleable cigarettes/little cigars which are on the premises as of 12:01 a.m., August 1, 2016, are subject to the cigarette floor tax. Credits for unsaleable cigarettes/little cigars will not be issued by the department until the floor tax return and payment are received and the credit is verified.

Cigarettes/Little Cigars in Transit - Cigarettes/little cigars which are alleged to be in transit as of August 1, 2016, will be deemed the property of the shipper. The shipper shall file a return and pay the floor tax imposed (72 P. S. § 8206.1) by October 31, 2016.

Penalty and Interest - Failure to submit your tax return and payment by October 31, 2016, will require the settlement of cigarette floor tax due, plus penalty and interest. Penalty is calculated at five percent of the tax due but unpaid for each month or fraction thereof that remains unpaid. Interest on late payments is calculated from the due date of this return until the date paid (TAX DUE x DAYS LATE x DAILY INTEREST RATE). The daily interest rate is established annually by the U.S. Treasury and is provided on form REV-1611.

Additional Penalties - In addition to settling penalty and interest, the department has the authority to settle administrative penalties in an amount equal to the floor tax evaded plus interest and/or suspend or revoke a cigarette dealers license, and pursue criminal prosecution for a willful failure to file a floor tax return by October 31, 2016.

Information and Forms - Should you have questions about your floor tax obligations, please call 717-783-9374 or write to the Miscellaneous Tax Division, PO Box 280909, Harrisburg PA 17128-0909.