

**2016 CIGARETTE DEALER
 FLOOR TAX RETURN**



RV-779 AS AFP (07-16)
 FAX NO 717-705-8413

On July 13, 2016, Governor Tom Wolf signed into law Act 84 of 2016 changing the excise tax on cigarettes/little cigars.

Effective August 1, 2016, 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.

On August 1, 2016, wholesalers, retailers and vending dealers will have on hand cigarettes/little cigars bearing the old rate. To adjust this inventory to the new rate, all 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. Retailers and vending dealers must also pay a floor tax on all unstampable little cigars on-hand as of the close of business July 31, 2016. Every cigarette licensee must file a return even if no cigarettes/little cigars or unstampable little cigars are in inventory.

To properly report and remit the floor tax due on your cigarette/little cigar and unstampable little cigar inventory, take a physical inventory of all stamped cigarettes/little cigars and unstampable little cigars held in your possession as of 12:01 a.m. on August 1, 2016.

As a wholesaler you are responsible for filing monthly reports to the department. Wholesalers will be required to file a monthly report for the period beginning July 1, and ending July 31, 2016.

The Cigarette Dealer Floor Tax Return and payment may be filed any time after August 1, 2016, and must be submitted no later than October 31, 2016.

For additional information, please visit www.revenue.pa.gov or call the Miscellaneous Tax Section at, 717-783-9374.

DETACH AT DOTTED LINE

	2016 CIGARETTE DEALER FLOOR TAX RETURN	CIGARETTE LICENSE NUMBER	EIN/SSN	SALES TAX #
NAME AND LOCATION ADDRESS (MAKE CORRECTIONS AS NECESSARY.)				

WHOLESALE, RETAIL AND VENDING INVENTORY OF PACKS OF PENNSYLVANIA AND PHILADELPHIA STAMPED CIGARETTES AND UNSTAMPED LITTLE CIGARS

	No. of Packs	Tax Rate	Tax Due
1) Packs of 20 cigarettes/ little cigars.....		X \$1.00 =	\$.
2) Packs of 25 cigarettes/ little cigars.....		X \$1.25 =	\$.
3) Packs of 20 Philadelphia cigarettes/little cigars.....		X \$1.00 =	\$.
4) Packs of 25 Philadelphia cigarettes/little cigars.....		X \$1.25 =	\$.
	No. of Sticks	Tax Rate	Tax Due
5) Number of unstampable little cigar sticks (RETAIL AND VENDING LICENSEES ONLY)		X \$.05 =	\$.
6) Balance due from inventory of packs of cigarettes, little cigars (Add Lines 1 through 5).....			\$.
7) Penalty and interest if filed after October 31, 2016 (See instructions on the back).....			\$.
8) Total Amount Due (Add Lines 6 & 7).....			\$.

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 DEALER FLOOR TAX RETURN WHOLESALE, RETAIL, LITTLE CIGARS AND VENDING MACHINE OPERATORS

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.

Who Must Report and Pay the Tax - 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 PA and Philadelphia stamped cigarettes/little cigars on hand 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. Retailers and vending dealers will also be required to pay a floor tax on all unstampable little cigars on hand as of 12:01 a.m. August 1, 2016. Every cigarette licensee must file a return even if no cigarettes/little cigars are in inventory.

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.

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. The floor tax per unstampable little cigar is 5 cents.

Filing Requirements - A floor tax return for each licensed location must be filed on or before October 31, 2016. Please make checks payable to the **PA Department of Revenue** and mail to **PA Department of Revenue, Bureau of Imaging and Document Management (CIG), PO BOX 280408, Harrisburg, PA 17128-0408**. Wholesalers will be required to file a monthly report for the period beginning July 01, and ending July 31, 2016.

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 - Unsaleable cigarettes which are on the premises as of 12:01 a.m. August 1, 2016, are subject to the cigarette floor tax.

Cigarettes in Transit - Cigarettes 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 the tax 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 can be obtained from 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 dealer's 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.