pennsylvania
DEPARTMENT OF REVENUE

MEMO

TO All Pennsylvania Cigarette Wholesalers

DATE 12/24/2009

RE Unstampable Little Cigar Tax Return, REV-1142

CIGARETTE TAX BULLETIN 09-21

On Oct. 9, 2009, Governor Edward G. Rendell signed into law Act 48 of 2009 raising the excise tax on cigarettes and expanding the definition of cigarettes to include little cigars.

Effective Jan. 4, 2010, the cigarette tax rate for unstampable little cigars is 8 cents per little cigar.

Please refer to the department's Web site, www.revenue.state.pa.us, for a list of taxable little cigars.

Also beginning Jan. 4, 2010, cigarette wholesalers will be required to collect from retailers a tax of 8 cents per stick on all unstampable little cigar sales. Retailers that do not pay the tax to a wholesaler will be required to remit the tax directly to the department.

The wholesaler or retailer will be required to remit the tax to the department on the 20th day after the end of the month using REV-1142, Unstampable Little Cigar Return, and REV-1144, Schedule L, Unstampable Little Cigars. The Unstampable Little Cigar Return and Schedule L will be provided by the department and available on the department's Web site for download.

If tax was not collected on exempt or out-of-state sales only, you are required to retain a copy of the completed Cigarette Tax Exemption Certificate, REV-1042, for four years.

Unstampable little cigar invoices to wholesalers and retailers must show brand names, number of packages, number of sticks per package and the tax due. Wholesalers and retailers must maintain copies of these invoices for at least four years.

Any person who willfully fails or refuses to collect and remit taxes and fees; fails to pay taxes and fees; fails to file a return; files a fraudulent or false return; attempts to prevent full disclosure of taxable sales; or presents for payment of taxes and fees a check returned to the commonwealth as uncollectible may be subject to criminal prosecution.

For additional information, please visit www.revenue.state.pa.us or call 717-783-9374.