



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE**

DATE: December 31, 2003

SUBJECT: Cigarette Floor Tax
Return REV-142

TO: All Pennsylvania Licensed Cigarette Stamping Agents

CIGARETTE TAX BULLETIN 03-15

On December 23, 2003 Governor Edward Rendell signed into law Act 46 of 2003 (HB 200 PN 3160) raising the excise tax on a pack of 20 cigarettes from \$1.00 to \$1.35 effective January 7, 2004 an increase of \$.35 cents per pack. Cigarette tax on packs of 25 cigarettes will increase from \$1.25 cents to \$1.6875 per pack, an increase of \$.4375 per pack. The new cigarette tax rate applies to all floor stock and to all cigarettes in vending machines located within Pennsylvania on January 7, 2004.

The commission paid to cigarette stamping agents for expenses of affixing cigarette tax stamps has been reduced from 1.25 percent to .98 percent. However, the cost of doing business for a Cigarette Stamping Agent shall be presumed to be 1.7 percent of the basic cost of cigarettes. Cigarette Stamping Agents purchasing cigarette tax stamps on a consignment basis must increase bond limits by forwarding a rider to the above address to increase the bond liability amount. If you wish to secure alternative forms of cigarette tax stamp credit purchases as prescribed in Act 46 of 2003, please contact the Department. **NOTE:** It will be necessary to file a monthly report, for the period beginning December 1, 2003 and ending January 6, 2004; and a report for the period beginning January 7, 2004 and ending January 31, 2004.

In order to properly report and remit the floor tax due on your cigarette inventory, it will be necessary to take an immediate physical inventory of all Pennsylvania stamped cigarettes held in your possession as of 12:01 A.M. on January 7, 2004 complete and file the enclosed Cigarette Stamping Agent Floor Tax Return (REV-142) by the due date of April 6, 2004. Please refer to the filing instructions on the reverse side of the floor tax return.

Cigarettes which are alleged to be in transit as of January 7, 2004, will be deemed the property of the shipper. The shipper shall file a return and pay the floor tax imposed under 72 P.S. 8206.1 by April 6, 2004.

Failure to file a floor tax return and pay the floor tax due by April 6, 2004 will result in the imposition of penalties and interest and may result in criminal prosecution.

Visit the Department of Revenue's website www.revenue.pa.gov for additional information.