

**2016 •
2017**

Minnesota Cigarette Tax

Licensing and Filing Information

Revised October 2015

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Information on:

- Getting a license
- Filing your monthly return

Also:

- **Form CT100**
License Application for
Cigarette Distributors and
Subjobbers

Need help with your taxes?

We're ready to answer your questions!

Cigarette tax information

cigarette.tobacco@state.mn.us

651-556-3035

Hours: Monday through Friday, 8 a.m. – 4:30 p.m.

*Information in this booklet is available in other formats
upon request for persons with disabilities.*

**File and pay your taxes online at
www.revenue.state.mn.us**

MINNESOTA • REVENUE

Getting a License

All distributors and subjobbers, including those located outside Minnesota, must be licensed before they can sell or distribute cigarettes in Minnesota.

You're a **cigarette distributor** if you:

- acquire untaxed cigarettes from outside Minnesota for sale to Minnesota subjobbers or retailers;
- ship or transport cigarette from outside Minnesota to Minnesota retailers to be sold by those retailers; or
- purchase cigarettes directly from a manufacturer and apply cigarette stamps to at least 50 percent of the cigarettes you sell.

You're a **cigarette subjobber** if you:

- acquire stamped cigarettes from a distributor to sell to retailers;
- are a licensed distributor who delivers, sells or distributes stamped cigarettes from a business not covered in your distributor's license; or
- are a vending-machine operator; principal business is operating, or owning and leasing to operators, machines for the vending of merchandise or service.

To apply for or renew your license, fill out the attached license application, Form CT100. Use a separate application for each license. Licenses are valid for a two-year period beginning January 1 of each even-numbered year and ending December 31 of the following odd-numbered year.

If you're applying for a license in the second year of the licensing period, pay only half the license fee. Fees are listed on the application.

If you're a licensed cigarette distributor, you must apply for a separate distributor's license for each location from which you plan to distribute cigarettes. You may apply for a separate subjobber's license for each place of business, other than the licensed location for the distributor, from which you sell or distribute stamped cigarettes.

After you Get Your License

Display your license prominently at the location indicated. Your license allows you to conduct business as a distributor or subjobber at the place of business shown on the application. Licenses are not transferable to another person or location.

Your license may be revoked or suspended if you violate any act applicable to the sales of cigarettes.

Use of Information

All information on your application form, other than your phone number, is required and is needed by the department to determine your eligibility for the license for which you are applying. (See Minnesota Statutes, 297F.03.)

Inclusion of Social Security numbers, including Social Security numbers of officers, partners and members, is required by M.S., 270C.306 and 270C.72, subd. 4. The information referring to business owners or corporate officers may be used to assist in the collection of any unpaid cigarette and tobacco taxes owed by the license applicant after the issuance of a license, as well as for the administration of M. S., 270C.72, which allows the department to seek the revocation of all state and locally issued licenses if a business owner or corporate officer of a licensee owes delinquent taxes to the department.

Social Security numbers are private information and cannot be disclosed to others without consent. All other information on the application form is public.

If all the information, other than your phone number, is not provided, your application may be delayed or denied. If you provide a phone number where you can be reached during the day, the department can save time if questions arise.

Filing Your Monthly Return

Before You File

You Need a Minnesota ID Number

Your Minnesota tax ID number is the seven-digit number you're assigned when you register with the Department of Revenue. Generally, this is the same as your sales and use tax or Minnesota employer's withholding tax number.

You must include your Minnesota tax ID number on your return so that any payments you make are properly credited to your account.

If you don't have a Minnesota tax ID number, you must apply for one. Apply online at www.revenue.state.mn.us, or call 651-282-5225 or 1-800-657-3605.

Cigarette Brands Subject to Fee in Lieu of Settlement

There is a fee on cigarettes produced by manufacturers that:

- are not making annual payments to the state of Minnesota under the tobacco settlement agreement from State v. Philip Morris Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District); or
- have not voluntarily entered into an agreement with the state of Minnesota to make payments under terms similar to those in the above settlement agreement.

Little cigar brands that are now classified as cigarettes and that were not part of the Minnesota tobacco settlement must also have the \$.50 per 20 pack non-settlement fee paid.

Due Date

All cigarette tax returns and payments are due on the 18th day of the month following the end of the reporting month. You must file a return even if there is no tax liability for that month.

The U.S. postmark date is considered the filing date (private postage meter marks are not valid). When the due date falls on a Saturday, Sunday or legal holiday, returns and payments made electronically or postmarked on the next business day are considered timely.

Filing Returns

You have the option to file

- electronically using our e-Services system, or
- on paper.

Forms and information on how to file electronically are available on our website. Go to www.revenue.state.mn.us and type **Cigarette Filing** or **Tobacco Filing** in the "Search" box.

To log in to e-Services directly, go to our website and click on **e-Services Login for Businesses**.

Filing Reminders

When Completing Your Return

- See our website for a list of forms you have to submit.
- **Enter your name**, address, FEIN, Minnesota tax ID number and tax period on each form.
- **Use the attachment sequence numbers when assembling**. Numbers are in the top right corner of each form under the form number.

Keep Good Records

You must keep complete and accurate records at each licensed location, including:

- itemized invoices of cigarettes held, purchased, manufactured, brought in or caused to be brought in from outside Minnesota, or shipped or transported to retailers in Minnesota; and
- sales of cigarettes made, except sales to the ultimate consumer.

Your cigarette records must show names and addresses of purchasers, inventory of all stamps affixed and unaffixed, all cigarettes on hand at the close of each period, and any other documents related to the purchase, sale or disposition of cigarettes.

Save all books, records and other documents for at least 3½ years. We may ask to inspect your records or inventory at any time during normal business hours.

Electronic Payment Requirements

If you owe \$10,000 or more in tax during the last 12-month period ending June 30, you're required to make payments electronically the following calendar year.

You must also pay electronically if you're required to pay *any* Minnesota business tax electronically, such as sales and withholding tax.

Failure to pay electronically when required will result in a penalty being assessed. The penalty is 5 percent of each payment that should have been remitted electronically, but was remitted by some other means.

Electronic Payment Options

- Go to www.revenue.state.mn.us and log in to e-Services to pay your taxes.
- If you don't have Internet access, call 1-800-570-3329 to pay by phone.

You'll need your user name, password and bank routing and account numbers. When paying electronically, you must use an account not associated with any foreign banks.

ACH credit method and Fed Wire. If you use other electronic payment methods, such as ACH credit method or Fed Wire, be sure to check with your bank or Fed Wire representative to find out when to initiate the payment in order for it to be received on time. Some banks require up to three business days to transfer funds. Additional instructions for making a payment by ACH credit are available on our website or by calling 651-556-3035.

Penalties and Interest

You'll be billed penalty and interest charges if you don't pay or file your taxes on time.

Late payment. The penalty for not paying on time is 5 percent of the unpaid tax for each 30 days the payment is late (or any part of 30 days) up to 15 percent.

Late filing. If you also do not file your return on time, a late-filing penalty is added to the late-payment penalty. The late-filing penalty is 5 percent of the unpaid tax.

The maximum penalty for paying and filing late is 20 percent.

Other penalties. Other penalties may apply if you intentionally disregard the law, repeatedly fail to file return or pay taxes, or file false or fraudulent returns.

Criminal penalties. If you knowingly file a false or fraudulent return, or intentionally don't file to avoid paying tax, criminal penalties may also apply.

Interest. You'll be charged interest on the unpaid tax plus penalty from the date the tax was due until it is paid in full.

License Application for Cigarette Distributors and Subjobbers

Check License Applied For: New Application Renewal

Print or Type	Business Legal Name	Daytime Phone	Minnesota Tax ID Number
	Doing Business As	Federal ID Number	
	Physical Street Location	County	Email Address
	Physical City Location	State	ZIP Code
	Mailing Street	County	
	Mailing City	State	ZIP code
	Fax Number		
Other Addresses Cigarettes are Stored			

Type of Business

Individual
 Partnership or Association
 Corporation
 State of Incorporation _____
 Date of Incorporation _____

Corporate officers, partners or members of association (*attach a list if necessary*)

Business Information	Name	Title	Social Security Number
	Address	City	State ZIP Code
	Name	Title	Social Security Number
	Address	City	State ZIP Code
	Name	Title	Social Security Number
	Address	City	State ZIP Code
	Name	Title	Social Security Number
	Address	City	State ZIP Code
	Name	Title	Social Security Number
	Address	City	State ZIP Code

Your application cannot be processed without answers to the following questions.

All Applicants

- Do you acquire cigarettes for the purpose of sale to retailers or other persons for resale? Yes No
- Are any of these products acquired before Minnesota tax is paid on them? Yes No
- Have you ever been convicted of a cigarette or tobacco crime? Yes No
- Have you ever had a license revoked? Yes No
- Will you be making sales on a Minnesota reservation? Yes No
- Are you a manufacturer of cigarettes? Yes No

Cigarette Subjobbers Only

- Do you acquire tax paid cigarettes for the primary purpose of resale to retailers? Yes No
- Is your principal business the operation of vending machines? Yes No

Cigarette Distributors Only

- Do you sell or purchase "fee-brand" cigarettes? Yes No

All Applicants: You must complete the reverse side. Incomplete applications will be returned to you.

Purchase Information

Distributors

List the name and address of each manufacturer from whom you purchase or intend to purchase cigarettes.

Enter the date of your first untaxed cigarette purchase: _____

Subjobbers

List the name and address of each Minnesota licensed distributor from whom you purchase or intend to purchase cigarettes. Subjobbers cannot purchase untaxed cigarettes or other tobacco products.

Manufacturers

List the names of cigarette products you manufacture. Attach additional page if necessary.

Application

All Applicants

Check license applied for: New Application Renewal

Two-year Licensing Period 2016-17

Application Made After Jan. 1, 2017

	Fee		Fee
<input type="checkbox"/> Cigarette Distributor	\$300.00	<input type="checkbox"/> Cigarette Distributor	\$150.00
<input type="checkbox"/> Cigarette Subjobber	\$24.00	<input type="checkbox"/> Cigarette Subjobber	\$12.00

Sign Here

I acknowledge that by becoming licensed as a cigarette distributor or subjobber, I will have record keeping/reporting requirements and responsibilities. I agree to comply with the applicable tax statutes as a condition of my license, and declare that the information given in this application is true, correct and complete to the best of my knowledge and belief.

Authorized Signature	Print Name	Title
_____	_____	_____
Date	Daytime Phone	
_____	_____	

Mail to: Minnesota Revenue, Mail Station 3331, St. Paul, MN 55146-3331.
 Phone: 651-556-3035 Email: cigarette.tobacco@state.mn.us