



News Release

CONTACT Ryan Brown
PHONE 651-556-6750
E-MAIL ryan.brown@state.mn.us

FOR IMMEDIATE RELEASE:

April 25, 2014

Contact: Ryan Brown

ryan.brown@state.mn.us

Department of Revenue reports on cigarette enforcement activities

St. Paul – Since July 1, 2013, the Minnesota Department of Revenue has completed over 1,000 inspections of retailers to ensure they are selling only state-stamped cigarettes. The department has worked with law enforcement agencies in numerous seizures of unstamped cigarettes. State stamps on cigarettes are proof that the seller paid Minnesota's cigarette taxes.

The increase in cigarette and tobacco taxes that took effect July 1, 2013, reflects the state's commitment to emphasize a healthy community and reduce the number of young people using tobacco. The cigarette tax increase will also help cover the long-term public health costs associated with tobacco use.

"The transportation and sale of unstamped cigarettes is illegal and unfair to distributors and businesses who comply with the state's cigarette and tobacco laws," said Revenue Commissioner Myron Frans. "When there is a disparity of tax rates on cigarettes between states, we must focus our enforcement activities to ensure everyone is following the law. Law abiding distributors and businesses expect us to enforce the tax laws to deter competitors from undercutting properly taxed and stamped cigarettes with cheap, illegal cigarettes."

On April 18, Department of Revenue officials seized 2,810 packs (281 cartons) of cigarettes without state stamps. The unstamped cigarettes were being shipped from an out-of-state business to retail businesses on the Leech Lake reservation. By not paying Minnesota's cigarette tax, the Band sells the unstamped cigarettes for a lower price (\$3.50 per pack) compared to other retailers, who sell properly state-stamped cigarettes for \$6 to \$9 per pack.

On April 18, Commissioner Frans personally discussed the seizure with Leech Lake Chairwoman Carri Jones. He offered to meet again with her and the Leech Lake Tribal Council to discuss the sale of only state-stamped cigarettes by the Band. The Band's sale of unstamped cigarettes has been an ongoing problem and the department has attempted to negotiate a resolution that would require the Band to only sell state-stamped cigarettes and resolve other related tax issues.

News Release

CONTACT Ryan Brown
PHONE 651-556-6750
E-MAIL ryan.brown@state.mn.us

Currently 10 of the 11 federally recognized tribes sell only cigarettes carrying the state's stamp, consistent with federal and state laws. The Leech Lake Band, however, is the only tribe that sells cigarettes without a state stamp.

The seizure is just one example of the department's ongoing efforts to uniformly enforce the state's cigarette and tobacco tax laws by pursuing distributors, businesses, and individuals who transport and sell cigarettes without a state stamp.

For more information on the rules and laws for selling cigarettes and tobacco products, read our [fact sheet on the sale of cigarettes in Minnesota](#).

Follow the latest news and updates from the Minnesota Department of Revenue on [Twitter](#), [Facebook](#) and sign up for our [email subscription list](#).

###