

Tobacco Use Tax Return

Use this form to pay tax on tobacco products other than cigarettes.

Print or Type	Name of Individual, Partnership, or Corporation				Social Security Number	
	Address	City	State	ZIP Code	Month	Year

Section A: Schedule of Tobacco Products Purchased	Column A Purchased From (name/address of person or business)	Column B Invoice Date	Column C Invoice Number	Column D Tobacco Purchased	Column E Premium Cigars Purchased	Column F Moist Snuff Purchased	Column G Total Invoice Price

If additional space is needed, attach additional sheets.

Total Cost of Tobacco Purchased \$ _____

Section B - Computation of Tobacco Products and Use Taxes	1 Exemption (see instructions)	1	_____
1 Total cost of tobacco purchased, excluding premium cigars and moist snuff	1	_____	
2 Tobacco Products Tax rate	2	0.95	_____
3 Tobacco Products Tax (multiply line 1 by line 2)	3	_____	
4 Total cost of cigars purchased for \$0.525 or less	4	_____	
5 Premium Cigar Tax (multiply line 4 by .95)	5	_____	
6 Number of single cigars purchased for more than \$0.525	6	_____	
7 Cigar Tax (multiply line 6 by \$.50)	7	_____	
8 Number of moist snuff containers purchased for \$3.20 or less per container	8	_____	
9 Moist Snuff Tax (multiply line 8 by \$3.04)	9	_____	
10 Total cost of moist snuff purchased for more than \$3.20 per container	10	_____	
11 Moist Snuff Tax (multiply line 10 by .95)	11	_____	
12 Total Tobacco Tax (add lines 3, 5, 7, 9, and 11)	12	_____	
13 Penalties (see instructions)	13	_____	
14 Interest (see instructions)	14	_____	
15 Total Tax Due (add lines 12-14)	15	_____	

I declare that this form is correct and complete to the best of my knowledge and belief.

Sign Here	Signature _____	Date _____	Daytime Phone _____
------------------	-----------------	------------	---------------------

Form CT303 Instructions

When you buy tobacco products in Minnesota, the price you pay includes the following Minnesota taxes and fees:

- Tobacco Products Tax equal to 95% of the cost
- Tobacco Sales Tax

If you buy tobacco products outside the state and are not charged these Minnesota taxes and fees, you must pay them directly to Minnesota.

Complete Form CT303 to report and pay the Tobacco Tax. For information on how to report and pay the Minnesota Sales Tax, see “Sales and Use Tax” on this page.

Due Date

File Form CT303 and pay the tax due by the 18th day of the month following the month in which you purchased the tobacco.

If you do not file voluntarily, you may be billed for the tax you owe as information about your purchases becomes available to us. Your bill will include penalty and interest charges, if applicable.

Sales and Use Tax

If you did not pay Sales Tax on your tobacco purchases, you may owe Use Tax.

In general, you owe Use Tax whenever Minnesota Sales Tax is not charged on taxable items you buy, whether you buy them in Minnesota or outside the state.

If the items you're buying are for your personal use (as opposed to buying items to use in a business), you can buy up to \$770 worth of taxable goods during the calendar year without paying Use Tax. If, however, your purchases total more than \$770, you must pay Use Tax on the entire amount. If you owe Use Tax, you may do one of the following:

- File and pay electronically from our website at www.revenue.state.mn.us (log in to e-Services, enter your Social Security number and follow the prompts to file and pay individual Use Tax)
- Complete Form UT1, *Individual Use Tax Return*. Forms are available on our website.

Use of Information

The information on this return will be used to determine the correct Minnesota tax and fee liability for your out-of-state tobacco purchase(s). Your Social Security number is private. You're not legally required to furnish the number, but if you do not we may not be able to properly identify you or process your payment and return.

Exemption

You can buy \$50 worth of products without paying Tobacco Tax if you do both of the following:

- Use or store the tobacco products for your personal use
- Carried the tobacco products into Minnesota

Tobacco products purchased by mail order are not exempt

Note: These exemptions do not apply to businesses or individuals who purchase the products for resell.

Using the Exemption

List the amount of the exemption you're claiming on line 1 in Section A. Subtract this amount from the following lines, in order, until you've used the entire exemption: Lines 1, 4, 10, 8. If an exemption remains after applying it to these lines and there is an amount listed on line 6, you may subtract the remaining exemption from the cigar wholesale price as long as the cigar's cost is not greater than the remaining exemption.

Definition of Tobacco Products

A tobacco product is any product that contains tobacco or any product that is made or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means.

The definition excludes any tobacco product that has been approved by the U.S. Food and Drug Administration and is marketed and sold solely as a tobacco cessation product, as a tobacco dependence product or for other medical purposes.

Definition of Premium Cigars

Premium cigars that should be included on this form are defined as:

- Hand-constructed and hand-rolled
- Has a wrapper made entirely from whole tobacco leaf
- Has a filler and binder made entirely of tobacco, except for adhesives or other materials used to maintain the size, texture, or flavor, and
- Has a wholesale price of \$2.00 or more

Definition of Moist Snuff

Moist snuff is finely cut, ground, or powdered smokeless tobacco that is intended to be placed or dipped in the mouth.

Form CT303 Instructions (Continued)

Penalty and Interest

Penalty

Penalties are collected as part of the taxes and fees.

Late Payment. A penalty is due if you do not pay your total taxes and fees by the due date. If your payment is 1 to 30 days late, the penalty is 5% of the unpaid amount; 31 to 60 days late, 10%; more than 60 days late, 15%.

Late Filing. If you also do not file your return on time, you must pay an additional penalty for filing late. The late-filing penalty is 5% of the unpaid taxes and fees.

Interest

You must pay interest on the unpaid taxes and fees plus any penalties from the due date until the date the total is paid.

To figure how much interest you owe, use the following formula with the appropriate interest rate:

$$\text{Interest} = (\text{tax/fee} + \text{penalty}) \times \# \text{ of days late} \times \text{interest rate} \div 365$$

For interest rates, go to www.revenue.state.mn.us. Enter **Penalties and Interest for Businesses** in the Search box.

Line Instructions

Section A

Enter the requested information into the table. Make sure you report each invoice separately. Report all tobacco purchased that does **NOT** meet the definition of either premium cigars or moist snuff in Column D “Tobacco Purchased”.

Report all tobacco purchased meeting the definition of premium cigars in Column E “Premium Cigars Purchased”.

Report all tobacco purchased meeting the definition of moist snuff in Column F “Moist Snuff Purchased”.

Section B

In Minnesota, you cannot pay more than \$.50 in tax per cigar on premium cigars and you cannot pay less than \$3.04 in tax per container of moist snuff. Follow the instructions listed on the form to calculate the correct amount of tax that should be paid on these purchases.

Line 13

Penalty

To determine the penalty amount to enter on line 13, see “Penalty and Interest”.

Line 14

Interest

To determine the interest amount to enter on line 14, see “Penalty and Interest”.

Information and Assistance

Website: www.revenue.state.mn.us

Email: cigarette.tobacco@state.mn.us

Phone: 651-556-3035

This material is available in alternate formats.