KANSAS
DEPARTMENT OF REVENUE

Mark Parkinson, Governor
Joan Wagnon, Secretary

www.ksrevenue.org

March 1, 2010

INDUSTRY NOTICE
IN-STATE
CIGARETTE WHOLESALER
TOBACCO DISTRIBUTOR

The Kansas Department of Revenue, Alcoholic Beverage Control, Cigarette And Tobacco Enforcement team will be conducting annual inspections in the coming months. During those inspections, the following areas will be checked for compliance.

- ✓ Invoices maintained for a three-year period
- ✓ Selling to unlicensed Kansas retailers
- ✓ Product on the Kansas Attorney General's list of approved brands
- ✓ Product not on the list must be stamped within 24-hours of receiving
- ✓ All reports and returns filed with Miscellaneous Tax Section

SB154 passed during the last legislative session. Below are some of the highlights from this bill.

- Invoices of sales shall be made available & maintained for at least three years.
- A violation of K.S.A. 50-6a04(a) could result in suspension or revocation of your license and the Director may impose a fine not greater than 500% of the retail value of the cigarettes or $5,000.
- Cigarettes sold in violation of K.S.A. 50-6a04(a) are deemed contraband and may be seized with or without process or warrant whether the violation is knowing or otherwise.
- You may store contraband in a Kansas warehouse if the tax indicia for another state has been affixed to the cigarettes or evidence can be provided that the tax has been paid for OTP.
- Contraband cigarettes may be transported in or through the state on a commercial carrier with proper bill of lading with an out of state destination, another state's tax indicia is affixed or to a licensed Kansas stamping agent who stamps for another state if the packing slip accompanying the shipment indicates it is for sale in another state & identifies the state they are to be sold in. The time of delivery shall be indicated on the bill of lading when delivery is completed. The receiving Kansas stamping agent must, within 24 hours of receiving the delivery, affix the stamp of the state they are to be sold.

Reminder—All cigarette licenses were renewed as of January 1, 2010. Please be sure your Kansas customers are licensed. You may verify licensure at www.ksrevenue.org/abc.

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