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**INDUSTRY NOTICE**

**SUBJECT:** Enhanced Cigarette and Tobacco Education and Enforcement Team

**DATE:** June 5, 2007

Dear Licensee:

The Kansas Department of Revenue (KDOR), in partnership with the Department of Social and Rehabilitation Services (SRS), is enhancing the KDOR Cigarette and Tobacco Enforcement Team (CATE Team). The Team has been expanded to include additional CATE Inspectors and support staff. The Team is headquartered in the division of Alcoholic Beverage Control (ABC) and is comprised of the following KDOR divisions:

- ABC
- Customer Relations/Licensing Segment
- Audit Services
- Legal Services
- Civil Tax Enforcement

The objectives of the Team are to:

1. Increase the enforcement of the state cigarette and tobacco laws, especially the underage sales of cigarette and tobacco products to minors;
2. Maintain compliance of the Synar Amendment;\*
3. Educate licensees on how to remain in compliance with state cigarette and tobacco laws;
4. Ensure compliance with the Master Settlement Agreement requirements and its components;\*
5. Achieve voluntary compliance by Kansas consumers who purchase tobacco products through the internet, phone or mail order in paying the cigarette excise tax and consumers use tax.

\*Please refer to the enclosed brochure for additional information.

Every licensee will be visited regularly by the CATE Inspectors. To assist you in preparation for these compliance inspections and enforcement visits, we have created a checklist to help you verify that your current business practices comply with the Kansas cigarette and tobacco laws. We encourage you to review the enclosed checklist with your management staff and all employees to reduce the risk of any administrative actions being taken against your license and any criminal charges filed against you or your employee(s).

Please note that the top priority of the Team is to enforce the laws prohibiting the illegal sales of cigarettes and tobacco products to minors. Kansas law states that it shall be unlawful for any person to sell, furnish or distribute cigarettes or tobacco products to any person under 18 years of age. The administrative actions that may be taken against the licensee for this violation include a fine of up to \$1,000 and suspension or revocation of the cigarette and tobacco license. The criminal penalty for any person convicted of selling, furnishing or distributing cigarettes or tobacco products to a minor is a fine up to \$1,000 or imprisonment for up to one year, or both.



*Kathleen Sebelius, Governor  
Joan Wagnon, Secretary*

[www.ksrevenue.org](http://www.ksrevenue.org)

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KDOR has increased its enforcement efforts to collect taxes on cigarettes purchased through the internet or mail. These internet sales have a major impact on our Kansas cigarette retailers who lose sales to the internet retailers and costs the state thousands of dollars in lost tax revenue. To help us educate Kansas consumers, we have created a sign advising customers that it is a violation of the Kansas Cigarette and Tobacco Products Tax Act to possess tobacco products (cigarettes, cigars, chewing tobacco, snuff, etc.) that were purchased from unlicensed vendors either through the mail or internet. Please display this sign in a conspicuous place that your customers can clearly view.

Thank you in advance for your cooperation and your compliance with the Kansas cigarette and tobacco laws.

For additional information, please visit our website at <http://www.ksrevenue.org/abc.htm> or contact our office at 785-296-7015. Emails are preferred and may be sent to [KDOR\\_CATE\\_Team@kdor.state.ks.us](mailto:KDOR_CATE_Team@kdor.state.ks.us)

Sincerely,

Original Signature on File

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Thomas W. Groneman  
Director of Alcoholic Beverage Control

Original Signature on File

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Steve Stotts  
Director of Taxation

Enc: Brochure  
Checklist  
Internet Sign

cc: Joan Wagnon, Secretary of Revenue  
Don Jordan, Secretary of SRS  
David Dickenson, SRS  
Shelly Bearman, Governor's Office  
Audit Services  
Division of ABC  
Division of Taxation  
Legal Services