

Kansas Department of Revenue

September 22, 2011

Revenue Ruling No. 19-2011-03

Requirements for Displaying Cigarette and Tobacco Products Licenses

This revenue ruling clarifies the statutes and regulations as they pertain to displaying state issued licenses and permits concerning cigarettes and other tobacco products.

Effective as of the date of this revenue ruling, the Department is requiring that any license, issued under the Kansas Cigarette and Tobacco Products Act, K.S.A. 79-3301 *et seq.*, be displayed in a conspicuous place on the licensed premise for the general public to inspect.

This ruling is applicable to all cigarette and tobacco products licenses issued by the Department of Revenue, including: Cigarette Retail Dealer, Vending Machine Operator, Show, Carnival, Catering Temporary, Cigarette Wholesale Dealer, Salesperson, and Distributor licenses.

The following information provides guidance for displaying the cigarette and tobacco licenses and permits held by Cigarette Retail Dealers, Vending Machine Operators, Cigarette Wholesale Dealers, Salesperson, Distributors and other.

State Issued Licenses and Permits

Cigarette Retail Dealer License:

K.S.A. 79-3303(a) requires that: "Each person engaged in the business of selling cigarettes in the state of Kansas and each vending machine distributor shall obtain a license as provided by this act."

The Cigarette Retail dealer license:

- Must be prominently displayed in a conspicuous place on the licensed premise and in plain view for inspection by the general public.
- Is not transferable.

Vending Machine Permits and Operator's Master License:

K.S.A. 79-3303(a) requires that: "Each person engaged in the business of selling cigarettes in the state of Kansas and each vending machine distributor shall obtain a license as provided by this act."

The Master License must be displayed in the dealer establishment.

The vending machine permit must be securely and visibly attached to the vending machine associated with the issued permit.

The permit number, the vending machine brand name and serial number and the particular location of the machine (including the name of the business and street address) must be reported to the Department of Revenue.

The name and address of the owner and operator must be displayed on each vending machine in operation in the state (K.A.R. 92-5-2).

The permit and the owner and operator information must be attached so that such information is visible on the face of the vending machine. The permit and required information must be in plain view to the public so that this information can be seen without moving the machine.

Cigarette Wholesale Dealer License:

K.S.A. 79-3303(a) requires that: "Each person engaged in the business of selling cigarettes in the state of Kansas and each vending machine distributor shall obtain a license as provided by this act."

The Cigarette Wholesale Dealer license:

- Must be displayed in a location at the Dealer's establishment so that a retail dealer, vending machine operator or salesperson can confirm that they are purchasing cigarettes from a Licensed Wholesale Dealer.
- Is not transferable.

Salesperson license:

Anyone who sells cigarettes to other wholesale dealers, retail dealers, vending machine operators and/or salesperson for the purpose of resale in the state is required to be licensed under the Cigarette and Tobacco Products Act as a dealer (K.S.A. 79-3301(e) and K.S.A. 79-3301(bb)).

The salesperson's license must be posted in the vehicle used by the salesperson in the conduct of the salesperson's business at all times.

The License must be available for inspection upon the request of a licensed Retail Dealer, a licensed Wholesale Dealer, the Director of Taxation or any representative of the Director.

Distributor License:

No person shall engage in the business of selling or dealing in tobacco products as a distributor in this state without first having received a license from the director (K.S.A. 79-3375 and K.S.A. 79-3373).

A Distributor License:

- Must be prominently displayed on the premises covered by the license.
- Is not transferable.

Other State License Types:

K.S.A. 79-3303(a) requires that: “Each person engaged in the business of selling cigarettes in the state of Kansas and each vending machine distributor shall obtain a license as provided by this act.”

Any cigarette license, including Show, Carnival, Catering or Temporary licenses:

- Must be prominently displayed in a conspicuous place and in plain view for inspection by the general public.
- Is not transferable.

Local licenses:

Cities, townships or counties may issue local licenses to engage in the business of selling, buying or distributing of cigarettes or other tobacco products.

In the absence of any local ordinance or resolution referencing the display of the local license, each current license issued by the city, township or county relating to the business of selling such products shall be displayed in plain view on the licensed premises in close proximity to the state issued license(s).

Other Documents to be displayed

Licensees must also display all appropriate state tax certificates, other state licenses or local licenses or permits as required by law.

Pursuant to K.S.A. 79-3321(r), Cigarette Retail dealers must also display the required signage that reads: “By law, cigarettes and tobacco products may be sold only to persons 18 years of age and older.”

If such signage and other required information is not displayed in a conspicuous location on the licensed premise, administrative action may be taken against the license.

Failure to comply with the applicable statutes, regulations and/or this ruling can result in administrative action for violation of the cigarette and tobacco products laws.

The agents and representatives designated by the Director of Taxation, including the Cigarette and Tobacco Enforcement Team, will verify compliance with the provisions of the applicable statutes, regulation and this ruling.

This revenue ruling replaces and supersedes all prior advice, revenue rulings and rulings that have been issued regarding this issue.

Additional copies of this revenue ruling, forms or publications are available from our web site, **www.ksrevenue.org**. If you have any questions about Kansas cigarette and tobacco products laws or reporting requirements, please contact the Kansas Department of Revenue via e-mail at miscellaneous.tax@kdor.ks.gov or call (785) 368-8222 choose option 5 followed by option 4. Address a written inquiry to Customer Relations, Cigarette Tax, Kansas Department of Revenue, 915 SW Harrison, Topeka, KS 66625-5000.

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