



State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

MICHAEL E. MASON
Assistant Commissioner

JOE W. GARRETT, JR.
Deputy Commissioner

CURTIS E. STEWART
Deputy Commissioner

October 30, 2014

Dear Tobacco Product Manufacturer:

Act 2014- 341 provides for an NPM bond requirement which becomes effective 10 days before the beginning of the first quarter 2015. Any non-participating manufacturer (or importer, if applicable) who wishes to be considered for listing on Alabama's Directory of Cigarettes Approved for Stamping and Sale shall obtain and provide the required bond each quarter to the Alabama Department of Revenue. The bond must be a good and sufficient bond executed by a surety company licensed and authorized to do business in Alabama and shall be conditioned to pay the escrow requirement as well as any penalties or other charges under Title 6, Chapters 12 and 12A. The bond amount shall be the greater of (i) the greatest required escrow amount due from the non-participating manufacturer/importer or its predecessor for any of the 12 preceding calendar quarters or (ii) \$25,000.

The bond must be posted and received by the Department at least 10 days in advance of each calendar quarter. Therefore, the first quarterly bond for quarter January through March 2015 must be received by the Department not later than December 21, 2014. Failure to provide the bond by this date will result in the non-participating manufacturer/importer not having its name and brand families included in the Directory of Cigarettes Approved for Stamping and Sale in Alabama. The original bond and power of attorney must be returned to the below address. Again, a new bond must be received 10 days prior to the beginning of each calendar quarter.

Non-participating manufacturers currently making escrow deposits and certifications on the annual basis must make their annual 2014 sales year escrow deposit by April 15, 2015 and file their NPM certification electronically by April 30, 2015. Thereafter, all escrow deposits and certifications must be made on a quarterly basis. Annual escrow deposits and certifications will no longer be allowed. **All non-participating manufacturers, including companies currently on the annual basis, shall make quarterly escrow deposits and certifications beginning with the first quarter 2015 sales year.** The first quarterly escrow payment must be made by April 30, 2015, and the first quarterly NPM certification shall be due by May 10, 2015. Please refer to the NPM certification and instructions at http://revenue.alabama.gov/tobaccotax/TOB-NPM-ESC_CERT.pdf for additional escrow deposit and certification due dates.

Should you have any further questions, please contact our office at the below address or telephone number.

Business and License Tax Division
Tobacco Tax Section
P O Box 327555
Montgomery, AL 36132-7555
(334) 242-9627