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State of Alabama Department of Revenue

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January 11, 2006

NOTICE

TO: All Tobacco Distributors

**FROM: Alabama Department of Revenue
Tobacco Tax Section**

SUBJECT: State-administered County Tobacco Tax Stamps

As previously notified in our November 7, 2005 correspondence, Act number 2004-545 which passed in 2004 Legislative Session in conjunction with Act number 2005-315 which passed during the First Special Session of 2005, provides for the collection of county cigarette taxes through the use of tax stamps affixed to packages of cigarettes.

Accordingly, effective February 1, 2006 all cigarettes distributed into state-administered counties must have the appropriate county stamp affixed to the cigarette pack; otherwise, this product will be subject to confiscation. State-administered county stamps are to be purchased from the Alabama Department of Revenue, Tobacco Tax Section, and will be available for purchase beginning January 20, 2006. All county stamps must be purchased on the cash basis, that is, by cash, certified funds (cashier's check, money order, etc.) or by Electronic Funds Transfer (subject to the electronic funds transfer provisions). Taxpayers wishing to make payments by Electronic Funds Transfer should contact the Department's EFT Unit at 1-800-322-4106 to obtain the appropriate new codes, or to get setup with the unit, to successfully make the county stamp payment. Wholesalers with a qualified stamping permit will be allowed a 7½ percent discount on the stamp purchase, provided that payment is made as required. Stamps may be picked up from our office at 50 North Ripley Street, Room 3152, Montgomery, AL; or, they may be shipped via the taxpayer's chosen shipping method.

We are enclosing a supply of county stamp order forms. An order form completed by the taxpayer, along with the correct tax payment, must be received by the Department before a county stamp order may be processed. The monthly wholesaler's report is also enclosed and is due by the 20th of the month reporting activity for the previous month. The revised county tobacco tax return will be provided at a later date. For your convenience, all forms including a revised refund worksheet will be made available on our web site at www.revenue.alabama.gov.

Should you have questions, we may be reached in the Tobacco Tax Section at P. O. Box 327555, Montgomery, Alabama 36132-7555, or by telephone at (334) 242-9627.