

Bulletin



Comptroller of Maryland • Alcohol and Tobacco Tax Division • Goldstein Treasury Building • P.O. Box 2999
Annapolis, Maryland 21404-2999 • Telephone: 410-260-7314 • Forms-by-Fax: 410-974-FAXX(3299);
Web Site: <http://compnet.comp.state.md.us/att/>

No. TT-38

July 18, 2003

TO: Licensed Tobacco Wholesalers

SUBJECT: New Reporting and Compliance Requirements

During the 2003 session, the Maryland General Assembly enacted HB889 effective June 1, 2003 that added a new subtitle to the Business Regulation Article of the Annotated Code of Maryland. Subtitle 5, §§ 16-501 through 16-508 imposes the following requirements on Maryland licensed tobacco wholesalers.

1. The new law requires the Maryland Attorney General's Office to publish a list of tobacco product manufacturers and brands that are compliant with Maryland law. Brands and brand families of tobacco manufacturers who fail to comply with the certification requirements of Subtitle 5 will not be retained in this directory. **Only those brands and brand families listed in the directory will be permitted to be offered for sale, possessed for sale, stamped for sale or sold in Maryland.** Brands and brand families not listed in this directory will immediately be deemed contraband product and subject to seizure and forfeiture as provided by the Tax-General Article.

The directory of tobacco products and manufacturers that are fully compliant with Maryland law will be published and posted on both

the Maryland Attorney General's Web page (<http://www.oag.state.md.us/>) and the Alcohol and Tobacco Tax Division's Web page (<http://compnet.comp.state.md.us/att/>) on or before September 15, 2003. This directory will be updated by the Attorney General's Office as necessary to add or remove tobacco product manufacturers or brand families to keep the directory in conformity with the requirements of Subtitle 5.

It is each wholesaler's responsibility to frequently check this list to ensure they are not purchasing, stamping, possessing, or selling contraband cigarettes.

2. Each licensed wholesaler must provide and update as necessary to the Attorney General an electronic mail address for the purpose of receiving any notifications that may be required by Subtitle 5. **For this purpose, the Attorney General's Office has asked us to include a "Licensed Wholesaler Address Reporting Form" along with this bulletin. Please fill out the attached form and return it to the Attorney General's Office by August 30, 2003.**

(over)

3. Each licensed wholesaler must submit to the Comptroller, not later than 21 days after the end of each calendar quarter, information to facilitate compliance with the new law. Form ATTD-608-3 has been revised to collect this information. Directions for filling out this new form are on the reverse side of the form. The revised version of ATTD 608-3 will replace the current quarterly reporting form ATTD-608-3. **The first report on the new form will be due from wholesalers on or before October 21, 2003 for the quarter ending September 30, 2003.**

4. Wholesalers must maintain and make available to the Comptroller for a period of five (5) years all invoices and documentation relied on for completing form ATTD-608-3.

A licensed wholesaler in violation of Subtitle 5, or any regulation adopted under this subtitle, is subject to the following penalties:

- Suspension or revocation of the wholesaler's license.
- A civil penalty in an amount not to exceed the greater of 500% of the retail value of the cigarettes sold or \$5,000.

- Seizure, forfeiture, and destruction of any contraband cigarettes that have been sold, offered for sale, possessed for sale, stamped for sale, or imported for personal consumption in this state.
- Recovery of the costs of the investigation, action, and reasonable attorney's fees for any action brought under Subtitle 5.

This office will vigorously pursue any alleged violations of this new law upon complaint from the Attorney General's Office or as a result of information obtained from other sources.

Any questions regarding the requirements set forth in this bulletin may be directed to Administrative Manager Christie E. Mattox at 410-260-7312.

Charles W. Ehart, DPA
Director
Alcohol and Tobacco Tax Division

State of Maryland
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202

Licensed Wholesaler Address Reporting Form

Md. Code, Business Regulation Article, § 16-504 (2003) requires licensed wholesalers to provide and update as necessary to the Attorney General an electronic mail address for the purpose of receiving notices concerning Maryland's tobacco directory. **Please complete the following information and return it by August 30, 2003, to:**

Melissa S. Whipkey, Staff Attorney
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202
Fax: (410) 576-6955
mwhipkey@oag.state.md.us

MD LICENSED TOBACCO WHOLESALER INFORMATION:
(Please Print or Type)

Company _____ License # _____

Address _____

City, State, Zip _____

Phone _____ Fax _____

E-mail _____

Name/Title of Contact Person _____

**THE LAW REQUIRES THAT YOU UPDATE THIS INFORMATION
WHENEVER AND AS SOON AS A CHANGE TAKES PLACE.**

Completed by _____ Date _____

Title _____ Phone _____

Comptroller of Maryland
Alcohol and Tobacco Tax Division
P. O. Box 2999
Annapolis, Maryland 21404-2999

**WHOLESALER'S QUARTERLY REPORT OF SALES OF MARYLAND STAMPED CIGARETTES AND/OR
ROLL-YOUR-OWN (RYO) TOBACCO
BY MANUFACTURER'S BRAND FAMILY**

Wholesaler's Name _____ License/Registration No. _____

Quarterly Reporting Period _____

List all cigarettes stamped with a Maryland tax stamp and all sales of roll-your-own tobacco for the report quarter:

	(A) Brand Family/Name	(B) Number of Cigarettes Stamped (Packs)	(C) RYO Equivalent Stick Count (At .09 oz. Each)	(D) Manufacturer's Name and Address	(E) From Whom Purchased (Name and Address)	(F) First Importer if Foreign Manufactured Product (Name and Address)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11	Totals					

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing document are true and correct to the best of my knowledge, information and belief.

Signature

Title: Owner, Partner or Officer

Date

Instructions for completing Form COM/ATTD-608-3a, Wholesaler’s Quarterly Report of Sales of Maryland Stamped Cigarettes and/or Roll-Your-Own Tobacco:

Who must file this form?

Licensed Maryland cigarette and roll-your-own (RYO) tobacco wholesalers must file this form.

When must this form be filed?

This form must be filed no later than 21 days after the end of each calendar quarter. The due dates for this form are January 21, April 21, July 21 and October 21 of each year.

What must be reported on this form?

Licensed wholesalers must provide on this form a list, by brand family, of the total number of cigarettes stamped with a Maryland tax stamp. Licensed wholesalers must also provide on this form, by brand family, the equivalent stick count for all RYO tobacco sold in Maryland during the same calendar quarter. Tax on the RYO tobacco will have been reported and paid on your Wholesaler’s Monthly Other Tobacco Products (OTP) Tax Return, Form COM-ATTD-609 filed each month of the calendar quarter.

What is a “Brand Family?”

The Brand Family means all styles of cigarettes sold under the same trademark, regardless of additional modifiers such as menthol, lights, kings, 100s, etc. The Brand Family includes any use of a brand name, trademark, logo, symbol, etc. identifiable with a brand of cigarettes.

What is “Equivalent Stick Count?”

For the purpose of determining the equivalent stick count on this report, .09 ounces of RYO tobacco will be considered the same as one cigarette. This is the loose tobacco equivalent to one cigarette as defined by the Tobacco Master Settlement Agreement.

Column(s) Line(s)

A	1-10	For each brand of cigarettes or RYO tobacco sold, enter the Brand Family Name.
B-C	1-10	For each Brand Family enter the number of packs for cigarettes, or the equivalent stick count using a factor of .09 ounces per stick for RYO tobacco. (Ounces of RYO tobacco divided by .09 equals equivalent stick count.) For RYO, the counts entered will be for individual cigarettes. For manufactured cigarettes, the count entered will be for packs stamped.
D-F	1-10	From the information found in invoices, purchase agreements, packaging or labeling materials and shipping documents, provide as much information as possible to identify the manufacturer, seller and first importer (if applicable) for each Brand Family stamped or sold.
B-C	11	In Column B, enter the total for lines 1-10 of cigarette packs sold during the quarter. In column C, enter the total for lines 1-10 RYO stick equivalent sold during the quarter.

Note: **The supporting material and records used to complete this form must be retained for five (5) years from the due date, or filing date of this report, whichever is later.**