

*Regulations of Connecticut State Agencies*

TITLE 12. Taxation

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*Agency*

**Department of Revenue Services**

*Subject*

**Cigarette Taxes**

*Inclusive Sections*

**§§ 12-313-1—12-313-31**

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**Cigarette Taxes**

**Sec. 12-313-1—12-313-31. Repealed**

Repealed January 24, 1986.

**Sec. 12-313-1a—12-313-2a. Repealed**

Repealed December 5, 2003.

**Sec. 12-313-3a. Repealed**

Repealed April 6, 2000.

**Sec. 12-313-4a. Transferred**

Transferred to Sec. 12-300-1, December 5, 2003

(Effective January 24, 1986; *Transferred to § 12-300-1, December 5, 2003*; Amended December 5, 2003)

**Sec. 12-313-5a. Transferred**

Transferred to Sec. 12-300-2, December 5, 2003

(Effective January 24, 1986; *Transferred to § 12-300-2, December 5, 2003*; Amended December 5, 2003)

**Sec. 12-313-6a. Transferred**

Transferred to Sec. 12-302-1, December 5, 2003

(Effective January 24, 1986; *Transferred to § 12-302-1, December 5, 2003*; Amended December 5, 2003)

**Sec. 12-313-7a. Transferred**

Transferred to Sec. 12-303-1, December 5, 2003

(Effective January 24, 1986; *Transferred to § 12-303-1, December 5, 2003*; Amended December 5, 2003)

**Sec. 12-313-8a. Licenses required for temporary stand**

(a) A dealer's license issued for a regular place of business does not cover a temporary stand located at a place apart from the regular place of business, whether or not cigarettes are sold only for a limited time. Each stand selling cigarettes at fairs, stadiums, expositions or other businesses of a temporary nature shall be licensed separately.

(b) This section is prescribed pursuant to section 12-313 of the general statutes.

(Effective January 24, 1986)

**Sec. 12-313-9a. Inventories**

(a) Each licensed distributor shall, on form CT-31, *Cigarette and Unaffixed Stamp Inventory Report for Resident Distributors*, in the case of a resident distributor, or on form

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CT-31A, *Cigarette and Unaffixed Stamp Inventory Report for Nonresident Distributors*, in the case of a nonresident distributor, take a physical inventory at the close of business on the last day of each month, whether or not a perpetual inventory is kept, of unstamped packages of cigarettes on hand and unaffixed stamps on hand. The commissioner may, without prior notice to the licensed distributor, assign an authorized officer of the department to assist in the taking of such physical inventory. form CT-31 or form CT-31A, as the case may be, shall be submitted with each monthly report referred to in subsection (a) of section 12-293a of the Connecticut General Statutes and known as form CT-15, *Monthly Tax Stamp and Cigarette Report/Resident Distributor*, in the case of a resident distributor, or form CT-15A, *monthly tax stamp and cigarette report/nonresident distributor*, in the case of a nonresident distributor.

(b) If a licensed distributor discovers that some or all of its unaffixed stamps are lost or missing, the distributor shall immediately notify the department in writing of this discovery and provide the roll number or numbers of the lost or missing stamps. If the distributor subsequently finds unaffixed stamps that it previously reported to the department as lost or missing, the distributor shall immediately notify the department in writing that such stamps were found and provide the roll number or numbers of the found stamps. The distributor may not affix the found stamps to packages of cigarettes until the department authorizes the distributor in writing to affix the stamps to packages of cigarettes.

(Effective January 24, 1986; Amended December 5, 2003)

**Sec. 12-313-10a. Purchase of stamps**

(a) Stamps may be purchased if and only if a distributor or dealer files form O-252, *Order and Invoice/Cigarette Tax Stamps*. In filing form O-252, a distributor or dealer shall choose either

(1) to have an authorized employee of the distributor or dealer purchase the ordered stamps in person at the headquarters of the department or at any designated field office of the department, or

(2) to have the ordered stamps shipped to the distributor or dealer.

(b) If a distributor or dealer chooses to have the ordered stamps shipped to the distributor or dealer, the department shall ship the ordered stamps subject to the following conditions:

(1) the distributor or dealer shall choose the shipper;

(2) all costs of shipping the ordered stamps shall be borne and prepaid by the distributor or dealer;

(3) the risk that the ordered stamps may not be received by the distributor shall be borne solely and exclusively by the distributor or dealer;

(4) in the event that the ordered stamps are not received by the distributor or dealer, the distributor or dealer shall be liable for the purchase price of such stamps, and any demand or claim against the state by the distributor or dealer for refund or credit of the amount paid for the ordered stamps is waived and released; and

(5) the distributor or dealer signs a document, acceptable to the department, releasing

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and waiving any demand or claim against the state by the distributor or dealer for refund or credit of the amount paid for the ordered stamps in the event that the ordered stamps are not received by the distributor or dealer.

(Effective January 24, 1986; Amended December 5, 2003)

**Sec. 12-313-11a. Records**

(a) The complete and accurate records required under section 12-309 of the general statutes to be kept by a licensed distributor shall include a sales journal which shows daily sales both of stamped packages of cigarettes and of unstamped packages of cigarettes by such distributor, a purchases journal which shows daily purchases both of stamped packages of cigarettes and of unstamped packages of cigarettes by such distributor, a copy of each sales invoice which shall show the date, the name and address of the purchaser, the quantity of cigarettes sold, the sales price, and whether or not the cigarettes were delivered to the purchaser, and a copy of each purchase invoice which shall show the date, the name and address of the seller, the quantity of cigarettes purchased, the list price of the manufacturer, and whether or not the face value of stamps required by chapter 214 is included in such list price.

(b) The complete and accurate records required under section 12-309 of the general statutes to be kept by a licensed dealer shall include a sales journal which shows daily sales by such dealer, a purchases journal which shows daily purchases both of stamped packages of cigarettes and of unstamped packages of cigarettes by such dealer, and a copy of each purchase invoice which shall show the date, the name and address of the distributor, the quantity of stamped cigarettes purchased, the quantity of unstamped cigarettes purchased, the cost to such dealer, and whether or not a trade discount other than a cash discount is allowed to such dealer.

(c) This section is prescribed pursuant to section 12-313 of the general statutes.

(Effective January 24, 1986; Amended December 1, 2000; Amended December 5, 2003)

**Sec. 12-313-12a. Sales, exchanges and transfers of unstamped packages of cigarettes by distributors**

If unstamped packages of cigarettes are sold, exchanged or transferred by a distributor, such distributor shall complete in duplicate form AU-761, *Acknowledgment of Receipt of Unstamped Cigarettes*, attesting to the sale, exchange or transfer of such packages and the name and address of the person to whom such packages are sold or transferred or with whom such packages are exchanged. Duplicates shall be furnished by such distributor to such other person which shall certify to and return one copy to such distributor and shall keep the other copy with its records.

(Effective January 24, 1986; Amended December 5, 2003)

**Sec. 12-313-13a. Computation of cost**

(a) In computing "cost to the distributor," as defined in section 12-323 of the general

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statutes—

(1) a decimal of less than five-tenths of one cent shall be disregarded and a decimal of five-tenths of one cent or more shall be considered to be one cent.

(2) “no delivery is made” by a distributor to its customer, if cigarettes are delivered to such customer at the place of business of such distributor or, if the freight is paid by such customer, to a common carrier.

(3) “delivery is made” by a distributor to its customer, if cigarettes are delivered to such customer at some place other than the place of business of such distributor or, if the freight is paid by such distributor, to a common carrier.

(b) In computing “cost to the dealer,” as defined in section 12-323 of the general statutes, a decimal of less than five-tenths of one cent shall be disregarded and a decimal of five-tenths of one cent or more shall be considered to be one cent.

(c) This section is prescribed pursuant to section 12-313 of the general statutes.

(Effective January 24, 1986)

**Sec. 12-313-14a. Nonresident distributors**

(a) All costs of sending an authorized officer of the Department of Revenue Services to the place of business of a person authorized by the commissioner under section 12-301 of the general statutes to affix, or cause to be affixed, the stamps required by chapter 214 for the purpose of examination of the books, accounts and records of such person shall be borne and, to the extent deemed feasible by the commissioner, prepaid by such person.

(b) This section is prescribed pursuant to section 12-313 of the general statutes.

(Effective January 24, 1986)

**Sec. 12-313-15a. Transferred**

Transferred to Sec. 12-314a-1, December 5, 2003

(Effective January 24, 1986; *Transferred to § 12-314a-1, December 5, 2003*; Amended December 5, 2003)

**Sec. 12-313-16a. Delivery by distributors to agents**

(a) A licensed distributor shall not furnish and deliver to any agent of such distributor packages of cigarettes on which the tax imposed under chapter 214 has been paid unless such delivery is made to such agent solely for the purpose of selling such packages on behalf of such distributor to a licensed dealer or dealers and is made pursuant to a written contract, which has been approved under subsection (b) of this section by the commissioner, by and between such distributor and such agent.

(b) The contract shall be approved by the commissioner if it specifies the price and quantity of cigarettes which will be delivered to the agent and the date of delivery and provides that the agent shall be obligated, within ten days after such date of delivery, either to sell such cigarettes and account for the sales proceeds to such distributor or to return such cigarettes to such distributor, that title to such cigarettes, until sold, shall remain in such

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distributor, and that the agent shall act in the capacity of agent of such distributor in dealing with a licensed dealer or dealers. The contract may contain additional provisions, provided such provisions shall not conflict with the provisions of chapter 214 or the regulations promulgated thereunder. The contract shall be submitted for approval to the Department of Revenue Services, Audit Division, Excise Tax Subdivision.

(c) Violations by the agent of a distributor of the provisions of chapter 214 or the regulations promulgated thereunder shall be deemed to be violations by such distributor.

(d) This section is prescribed pursuant to section 12-313 of the general statutes.

(Effective January 24, 1986)

**Sec. 12-313-17a. Schedule required under 2000 Conn. Pub. Acts 208**

(a) **Monthly schedule.** As part of the monthly report that is referred to in section 12-293a of the general statutes and that is known as Form CT-15, in the case of a resident distributor, or Form CT-15A, in the case of a nonresident distributor, every affected distributor shall complete and attach to such report a schedule, in such form as is prescribed by the Department of Revenue Services and containing the information specified by subsection (b) of this section, to account for and reconcile the number of Connecticut heat-applied decals that are affixed to packages of cigarettes during the monthly period that is covered by the associated Form CT-15 or Form CT-15A, as the case may be.

**(b) Required information.**

(1) The schedule that is required to be filed by subsection (a) of this section shall contain the information that is specified by this subsection.

(2) (A) The schedule shall list each manufacturer from which the affected distributor made direct purchases of packages of cigarettes that were actually manufactured by such manufacturer, and the number of Connecticut heat-applied decals that were affixed by the affected distributor to such packages of cigarettes that were purchased from each such manufacturer.

(B) (i) For each such manufacturer so listed that is a participating manufacturer, the schedule shall list all cigarettes purchased from such manufacturer, the number of connecticut heat-applied decals that were affixed to such packages of cigarettes by the affected distributor, and the number of cigarettes in such packages.

(ii) For each such manufacturer so listed that is a nonparticipating manufacturer, the schedule shall list, by brand, all cigarettes purchased from such manufacturer, the number of connecticut heat-applied decals that were affixed to such packages of cigarettes by the affected distributor with respect to each such brand, and the number of cigarettes in such packages.

(3) The schedule shall also list all other suppliers from which the affected distributor made purchases of packages of cigarettes, including packages of cigarettes that were purchased from one manufacturer but that were actually manufactured by another manufacturer. Such list shall include all purchases that were made by the affected distributor during the month of packages of cigarettes, other than purchases that were made directly

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from the actual manufacturer of the cigarettes.

(4) For each separate supplier listed under subdivision (3) of this subsection, the schedule shall list all brands of cigarettes purchased from such supplier, the number of Connecticut heat-applied decals that were affixed to such packages of cigarettes by the affected distributor with respect to each such brand, and the number of cigarettes in such packages.

(5) For each brand of cigarette listed for each supplier under subdivision (4) of this subsection, the schedule shall list (A) the name of the manufacturer of such cigarettes, where such manufacturer intended the cigarettes to be sold in the United States, and indicate whether such manufacturer is a nonparticipating manufacturer, or (B) the name of the person or entity first responsible for such cigarettes being designated or identified for sale in the United States, where the actual manufacturer of such cigarettes did not intend such cigarettes to be sold in the United States, and indicate whether such person or entity first responsible for such cigarettes being designated or identified for sale in the United States is a nonparticipating manufacturer. The schedule shall also list any other information as may be required by the Department of Revenue Services.

(c) **Filing on magnetic media or filing electronically.** Upon sixty days' written notice to an affected distributor, the Department may require an affected distributor to file the schedule that is required by subsection (a) of this section for a month ending on or after such sixtieth day on magnetic media or in an electronic format, the specifications for which are furnished to the affected distributor in such written notice. If such notice is given by the Department, the affected distributor shall not be permitted to file such schedule with the Department using paper forms, and filing such schedule using paper forms shall be treated as a failure to comply with the provisions of this section.

(d) **Recordkeeping.** An affected distributor shall keep complete and accurate records to support the information that is required by subsection (b) of this section to be reported on the schedule that is required by subsection (a) of this section.

(e) **Failure to comply.** Failure of an affected distributor to comply with the provisions of this section by not filing the schedule required by subsection (a) of this section, or by not furnishing complete and accurate information as required by such schedule, shall be deemed a violation of this section, and the license of the affected distributor shall be subject to suspension or revocation under section 12-295 of the general statutes.

(f) **Definitions.** For purposes of this section, (1) "Connecticut heat-applied decals" means the heat-applied decals that are affixed to packages of cigarettes as evidence of the payment of the tax imposed under chapter 214 of the general statutes; (2) "affected distributor" means a person who has been issued a distributor's license under chapter 214 of the general statutes and who affixes connecticut heat-applied decals to packages of cigarettes; (3) "nonparticipating manufacturer" means any tobacco product manufacturer, as defined in section 4-28h of the general statutes, that is required to place funds into escrow pursuant to subsection (a) of section 4-28i of the general statutes; (4) "participating manufacturer" means any participating manufacturer, as that term is defined in section II(jj) of the master settlement agreement; (5) "master settlement agreement" means the master settlement



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agreement, as defined in section 4-28h of the general statutes; and (6) “cigarette” means cigarette, as defined in section 12-285 of the general statutes.

(; Amended December 21, 2001)

**Sec. 12-313-18a. Definitions (Repealed)**

Repealed June 11, 2014.

(; Repealed June 11, 2014)

*Notes:* For 2014 repeal, see Sec. 54 of Public Act 14-187. (June 11, 2014)