

**2009 INVENTORY FLOOR TAX FOR
 CIGARETTES, OTHER TOBACCO PRODUCTS (OTP),
 AND SNUFF
 FOR INVENTORIES AS OF MARCH 31, 2009**



TAX COMPUTATION AND FIRST PAYMENT INSTALLMENT REPORT

Name and Address

DO YOU SELL CIGARETTES? YES NO
 —Complete Section 1 if yes.

DO YOU SELL OTHER TOBACCO PRODUCTS (OTP)? YES NO
 —Complete Section 2 if yes.

DO YOU SELL SNUFF? YES NO
 —Complete Section 3 if yes.

IS THIS REPORT FOR MULTIPLE LOCATIONS? YES NO
 —Attach list of locations if yes.

04 / 09

Sales Tax Acct. No. _____ MM/YY _____

SECTION 1-CIGARETTE INVENTORY FLOOR TAX COMPUTATION

- | | | |
|--|-------|-------------------------|
| 1. Number of Packs of 20 Cigarettes | _____ | |
| 2. Inventory Floor Tax Rate on 20's..... \$ | _____ | 0.30 |
| 3. Tax due on 20's (line 1 times line 2)..... \$ | _____ | |
| 4. Number of Packs of 25 Cigarettes | _____ | |
| 5. Inventory Floor Tax Rate on 25's | _____ | 0.375 |
| 6. Tax Due on 25's (line 4 times line 5)..... \$ | _____ | |
| 7. AMOUNT DUE for Cigarettes (line 3 plus line 6) | _____ | Enter on line 14 |

SECTION 2-OTHER TOBACCO PRODUCTS (OTP) INVENTORY FLOOR TAX COMPUTATION

- | | | |
|---|-------|-------------------------|
| 8. Purchase Price of Inventory of OTP..... | _____ | |
| 9. Inventory Floor Tax Rate on OTP (7.5%) | _____ | 0.075 |
| 10. AMOUNT DUE for OTP (line 8 times line 9) | _____ | Enter on line 17 |

SECTION 3-SNUFF INVENTORY FLOOR TAX COMPUTATION

- | | | |
|---|-------|-------------------------|
| 11. Number of Units of Snuff on hand | _____ | |
| 12. Inventory Floor Tax Rate on Snuff | _____ | 0.095 |
| 13. AMOUNT DUE for Snuff (line 11 times line 12) | _____ | Enter on line 20 |

SECTION 4-INSTALLMENT PAYMENT COMPUTATION

- | | | |
|--|----------|---------------|
| 14. Cigarette Inventory Floor Tax Due (line 7) | \$ _____ | |
| 15. Installment Payment 1 for Cigarettes (at least 1/3 of line 14) | \$ _____ | 016-07 |
| 16. Remainder Due for Cigarettes (line 14 minus line 15)..... | \$ _____ | |
| 17. OTP Inventory Floor Tax Due (line 10)..... | \$ _____ | |
| 18. Installment Payment 1 for OTP (at least 1/3 of line 17) | \$ _____ | 101-03 |
| 19. Remainder Due for OTP (line 17 minus line 18)..... | \$ _____ | |
| 20. Snuff Inventory Floor Tax Due (line 13)..... | \$ _____ | |
| 21. Installment Payment 1 for Snuff (at least 1/3 of line 20) | \$ _____ | 101-04 |
| 22. Remainder Due for Snuff (line 20 minus line 21)..... | \$ _____ | |
| 23. TOTAL DUE FOR INSTALLMENT 1 (line 15 plus line 18 plus line 21) | \$ _____ | |

COMPLETE PAGE 2 IF LINE 16, 19, OR 22 IS NOT ZERO BEFORE SUBMITTING PAGE 1.

INSTALLMENT PAYMENT 1 IS DUE APRIL 10, 2009

 Name

 Date

 Signature

 Telephone Number/E-mail

GENERAL INFORMATION—House Bill 144 was recently passed by the General Assembly and signed by Governor Beshear on February 13, 2009. As a part of this bill the tax rates on cigarettes, other tobacco products, and snuff were increased. The surtax rate on cigarettes was increased to \$0.56 per pack of 20 cigarettes. This is in addition to the excise tax of \$0.03 and cancer research surtax of \$0.01. The total tax is now \$0.60 per pack of 20 cigarettes. The tax on other tobacco products was increased from 7.5% to 15% of the wholesale cost. The tax on a unit of snuff was increased from \$0.095 to \$0.19.

INVENTORY FLOOR TAX—Every retailer or cigarette licensee with cigarette inventories shall take a physical inventory of all cigarette packages bearing Kentucky tax stamps, and all unaffixed cigarette tax stamps possessed by them or in their control at 11:59 p.m. on March 31, 2009, and pay an inventory floor tax at the rate of 30 cents per pack of 20 cigarettes (proportionate rate for packs of 25). Vendors may establish the inventory of cigarettes in vending machines by (1) taking an actual physical inventory, (2) estimating the cigarettes in vending machines by reporting one-half of the normal fill capacity of the machines as reflected in individual inventory records maintained for vending machines, or (3) using a combination of these two methods.

Every retailer or subjobber shall also take a physical inventory of all other tobacco products possessed by them or in their control at 11:59 p.m. on March 31, 2009, and pay an inventory floor tax at the rate 7.5% of the purchase price. "Purchase price" means the actual amount paid for the other tobacco products.

If the retailer or subjobber cannot determine the actual amount paid for each item of other tobacco product, the retailer or subjobber may use as the purchase price the amount per unit paid as reflected on the most recent invoice received prior to April 1, 2009, for the same category of other tobacco product.

If the invoice used by the retailer or subjobber to determine the purchase price of the other tobacco product does not separately state the tax paid by the wholesaler, the retailer or subjobber may reduce the amount paid per unit by seven and one-half percent (7.5%).

Every retailer or subjobber shall also take a physical inventory of all units of snuff possessed by them or in their control at 11:59 p.m. on March 31, 2009, and pay an inventory floor tax at the rate 9.5 cents per unit of snuff. "Unit" means a hard container not capable of containing more than one and one-half (1-1/2) ounce.

SPECIFIC INSTRUCTIONS—File this form even if you do not have any tobacco activity. Mark yes or no in the spaces provided and return the first page in the envelope provided (black border). If all answers are no, do not complete sections 1-4, but do complete the bottom portion including a signature.

All inventories shall be taken as of 11:59 p.m. on March 31, 2009. If you choose to remit the entire amount due in one payment, return only the first page by April 10 in the envelope (black border) provided. Otherwise, complete page 2 and mail each voucher by the due dates shown. Make sure the name and account number information is the same as page 1.

Retain a copy of all submitted returns for your records.

Do not include this return or payment with your sales and use tax return or any other tax return mailed to the Department of Revenue. Your payment may not be credited to your account timely which may generate notices of tax due. Indicate on your check "tobacco inventory floor tax". Make check payable to: Kentucky State Treasurer.

Mail to: Kentucky Department of Revenue
Frankfort, KY 40619

INSTALLMENT DUE DATES

First Installment due April 10, 2009
Second Installment due May 10, 2009
Third Installment due June 10, 2009

For Assistance you may contact the Excise Tax Section at 502-564-6823 or via e-mail at...

DOR.WEBResponseExciseTax@ky.gov

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FOR INVENTORIES AS OF MARCH 31, 2009



INSTALLMENT PAYMENT 2 IS DUE MAY 10, 2009

Name and Address	
	Sales Tax Acct. No. 05 / 09
	MM/YY

- 24. Remainder of Cigarette Inventory Floor Tax Due (line 16, page 1). \$ _____
 - 25. Installment Payment 2 for Cigarettes (at least 1/2 of line 24)\$ _____ 016-07
 - 26. Remainder Due for Cigarettes (line 24 minus line 25)..... \$ _____
 - 27. Remainder of OTP Inventory Floor Tax Due (line 19, page 1).... \$ _____
 - 28. Installment Payment 2 for OTP (at least 1/2 of line 27)\$ _____ 101-03
 - 29. Remainder Due for OTP (line 27 minus line 28)..... \$ _____
 - 30. Remainder of Snuff Inventory Floor Tax Due (line 22, page1) .. \$ _____
 - 31. Installment Payment 2 for Snuff (at least 1/2 of line 30) \$ _____ 101-04
 - 32. Remainder Due for Snuff (line 30 minus line 31)..... \$ _____
 - 33. **TOTAL DUE FOR INSTALLMENT 2** (line 25 plus line 28 plus line 31)\$ _____
- COMPLETE INSTALLMENT 3 IF LINE 26, 29, OR 32 IS NOT ZERO.**

Name	Date
Signature	Telephone Number/E-mail

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INSTALLMENT PAYMENT 3 IS DUE JUNE 10, 2009

Name and Address	
	Sales Tax Acct. No. 06 / 09
	MM/YY

- 34. Installment Payment 3 for Cigarettes (line 26).....\$ _____ 016-07
- 35. Installment Payment 3 for OTP (line 29).....\$ _____ 101-03
- 36. Installment Payment 3 for Snuff (line 32)..... \$ _____ 101-04
- 37. **TOTAL DUE FOR INSTALLMENT 3** (line 34 plus line 35 plus line 36)\$ _____

Name	Date
Signature	Telephone Number/E-mail