

WEST VIRGINIA STATE TAX DEPARTMENT
Administrative Notice 2001- 21

SUBJECT: Tobacco Products -- State Tax Commissioner's Policy Statement Concerning Implementation of the Tobacco Products Excise Tax Act - Specifically Other Tobacco Products, Included in WV Code § 11-17 Passed April 13, 2001, Effective January 1, 2002.

This notice will define filing requirements for the implementation of excise tax on other tobacco products. The following forms will be required to be filed by wholesalers/distributors of other tobacco products. Other tobacco products include chewing tobacco, snuff and any other tobacco product that is intended to be used or consumed by a means other than smoking and any cigar, pipe tobacco or other tobacco product other than cigarettes.

WV/OTP-701	Other Tobacco Products Tax Report
Schedule A	Purchases of Other Tobacco Products
Schedule B	Other Tobacco Products Sold Into West Virginia
Schedule C	Other Tobacco Products Sold Outside West Virginia (Exports)

DISCUSSION

Beginning January 1, 2002, other tobacco products will be taxed at 7% of the wholesale price. "Wholesale price" is the gross invoice price, including all federal excise taxes, at which the tobacco products are sold to distributors/wholesalers, excluding all trade discounts and other reductions in the manufacturer's price. There is no statutory discount allowed for the monthly remittance of the excise tax on other tobacco products.

The Other Tobacco Products Tax Report must be signed under penalty of perjury and is due the 15th day of each month reflecting transactions from the preceding month, even if no business was conducted or no tax is due. Per WV Code § 11-17-19, a penalty of \$25.00, per month or fraction thereof, may be assessed for the late filing of the report, even if no tax is due.

The first Other Tobacco Products Tax Report will be due February 15, 2002 reflecting business transacted for the period January 1, through January 31, 2002.

INVENTORY REPORT REQUIRED

On January 1, 2002, all wholesalers, sub-jobber dealers, retail dealers and vending machine operators will be required to take a physical inventory of other tobacco products on hand and remit 7% of the wholesale price, less a 4% discount. The Wholesaler, Sub-jobber Dealer, Retail Dealer and Vending Machine Operator Inventory Report (Tax Code 08) will be due January 31, 2002.

Issued: October 23, 2001

Rebecca Melton Craig
State Tax Commissioner
West Virginia State Tax Department

State Tax Department
Internal Auditing Division
P.O. Box 2991
Charleston, WV 25301-2991

Operator on duty 8:30 am - 4:30 pm
Monday through Friday
Phone: (304) 558-8500
TDD Service/Hearing Impaired 1-800-282-9833