

REQUIREMENTS OF LICENSED TOBACCO WHOLESALERS

Notice #11-03

Tobacco Tax

April 2011



Highlights

- *Tenn. Code Ann. § 67-4-2604 requires all licensed agents to submit monthly LDR forms*
- *When reporting cigarettes, bidis and little cigars on the LDR and W2W, report the number of individual sticks.*
- *When reporting RYO on the LDR and W2W forms, report the number of ounces.*
- *If selling to another wholesaler, complete the Wholesaler to Wholesaler (W2W) form in addition to the LDR form.*
- *You are required to maintain all invoices and documentation for a period of 7 years.*



References:

T.C.A. § 67-4-2604

INTRODUCTION

This notice is intended to provide a summary of the statutory reporting requirements of licensed tobacco wholesalers.

DISCUSSION

Tenn. Code Ann. § 67-4-2604 requires all licensed agents to submit monthly licensed distributor reports ("LDR"). In addition, wholesalers and licensed agents who sell cigarettes, little cigars, bidis, or roll-your-own tobacco to another wholesaler are required to submit Wholesaler to Wholesaler ("W2W") reports. A "licensed agent" is anyone who is authorized to affix tax stamps to packages of cigarettes or any person who is required to pay the tobacco tax pursuant to Tenn. Code Ann. § 67-4-1002. Please note the following:

- The categories of tobacco products that are required to be reported on the LDR forms are: cigarettes (C), bidis (B), little cigars (LC), and roll-your-own tobacco (RYO) on which you paid the tobacco tax due, whether by 1) application of a Tennessee tax stamp, or 2) by payment of the Tennessee tobacco tax on RYO tobacco.
- If you only sell **large** cigars (or anything other than a little cigar), then you must check the "Big Cigars Only" box on the first page of the LDR form. Cigarillos, blunts, and cheroots are several types of cigars that are **not** categorized as "little cigars" in Tennessee and as such are not required to be reported on LDR forms or W2W forms.
- These reports must be mailed to the address shown in the **upper right hand corner** of the form by the 15th day of the month following the month being reported. This address is **NOT** the same address the monthly TOB 552 form is mailed.
- When reporting cigarettes, bidis and little cigars on the LDR and W2W forms, you must report the number of individual units (i.e. the number of sticks) rather than the number of packs.
- When reporting RYO on the LDR and W2W forms, you must report the number of ounces of RYO.
- Every page of these reports must be initialed, signed and dated. They must be filled out in ink, not pencil. The second page of the LDR form may be photocopied for reporting additional items if necessary.
- If you sell any stamped cigarettes, or little cigars, bidis, and roll-your-own tobacco to another wholesaler, you **must** complete and return the W2W report as well. Note that you may not sell any unstamped cigarettes to other wholesalers.
- You are required to maintain all invoices and documentation of sales of cigarettes and any other information relied upon in completing the LDR and W2W forms for a period of 7 years.

Please read the instructions attached to the LDR and W2W forms before completing the forms. If you have questions pertaining to the completion of either the monthly LDR or the W2W forms, please contact Rosanna Rostad at (615) 253-5832 or via email at rosanna.rostad@ag.tn.gov.