

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100222	General Information for Wisconsin Cigarette Tax Stamp Sales - Common Questions

State of Wisconsin
Department of Revenue

General Information for Wisconsin Cigarette Tax Stamp Sales

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

1. Who may order cigarette stamps?
2. How do I order cigarette stamps?
3. How far in advance of the required delivery/pickup date must I place my order?
4. What should I do once I've received my stamp order?
5. How and when do I pay for my stamp order?
6. May I resell or transfer cigarette stamps from my inventory?
7. Am I required to post security before ordering stamps?
8. What should I do if stamps are lost or stolen?
9. Who is responsible for remitting cigarette tax to the state?
10. Can I receive a refund for stamps that are unfit for use?
11. What will happen if a stamp is not properly applied?

1. **Who may order cigarette stamps?**

Only businesses holding a valid Wisconsin cigarette distributor permit may order cigarette stamp rolls and/or pads. To place a stamp order, you must complete the Wisconsin Cigarette Stamp Order form (Form CT-108) on My Tax Account.

2. **How do I order cigarette stamps?**

Wisconsin Cigarette Stamp Orders (Form CT-108) must be filed **electronically** on My Tax Account with the department. Learn more on Using My Tax Account - Business Users. When entering your order, do not enter a post office box for your address. Stamps can only be delivered to the permitted street address.

3. How far in advance of the required delivery/pickup date must I place my order?

We encourage you place orders for cigarette tax stamps several days in advance of the requested delivery/pickup date. Be sure to indicate the requested date of delivery/pickup. Orders will **not** be filled on weekends or legal holidays. Orders will be processed as follows:

- Orders placed in advance or received prior to 12:00 noon of the requested delivery/pickup date are shipped or available for pickup after 2 p.m. on the requested date.
- Orders received after 12:00 noon are shipped or ready for pickup after 2 pm on the later of the following work day or the requested delivery/pickup date.

4. What should I do once I've received my stamp order?

- Verify the type and quantity of stamps requested against those received and identified on the cigarette packing slip enclosed with the stamps. Call the Department of Revenue immediately at (608) 266-6701 if there are discrepancies.
- Report your stamp order(s) on the Uniform Stamp Schedule Form CT-104 in the month indicated on the cigarette packing slip. Obtain the required information from the order form received with your stamps, including the shipping and printing cost, date received, etc.
- Retain copies of your orders, along with the cigarette packing slip, for five years.

5. How and when do I pay for my stamp order?

Stamps are sold to authorized distributors on a cash or credit basis.

- If you are required to pay by cash, you must remit the full amount due by cashier's check, money order, or Electronic Funds Transfer (EFT) prior to shipment/pickup of your stamp order. EFT payments must clear before the order will be released.
- If you are authorized to pay on credit, you must remit the tax the earlier of:
 1. The 15th day of the month following the close of the period in which the stamp purchase is to be reported based on the information on the packing slip. OR
 2. Upon your receipt of a formal request for payment from the department.

6. May I resell or transfer cigarette stamps from my inventory?

No, only the Department of Revenue may sell or transfer stamps to distributors holding a valid Wisconsin Distributor's Permit.

- Distributors are not authorized to sell or transfer stamps to another entity or transfer stamps to another location of the same entity.
- No person/distributor may accept, purchase, transfer, or borrow any stamps from another person/distributor.
- A distributor must immediately notify DOR, in writing, if their business has a change in their name, address, or ownership.

7. Am I required to post security before ordering stamps?

The department may require applicants who qualify for a distributor's permit to have security on file before issuing their permit. Security may be in the form of a bond, certificates of deposit, or cash.

- If security is required, a permit will not be issued until the security is received.
- The department may, with a ten-day notice, recover any tax, interest, penalties, and other charges from the security of any person who is delinquent in paying their tax liability.

8. **What should I do if stamps are lost or stolen?**

If you have stamps that are lost or stolen, retain the shipping container, packaging and call the department immediately at (608) 266-6701.

Distributors are liable for the tax on all lost or stolen stamps. All stamp orders are shipped FOB origin (Free on Board) from the department to distributors at their permitted business location.

- The department ships stamps based on the delivery option as instructed by the distributor.
- Distributors may instruct the department to ship stamps via another carrier, provided it is approved by the department and the carrier provides the department with a signed and dated confirmation of receipt.

9. **Who is responsible for remitting cigarette tax to the state?**

The distributor that orders/purchases cigarette stamps from the Department of Revenue is responsible for remitting the tax (plus printing cost) less the distributor's discount to the state.

The collection of moneys by a distributor from the sale of cigarettes on which the tax has become due and not previously remitted to the state is collecting those tax moneys as trust funds and state property. Any distributor who fraudulently withholds, appropriates, or otherwise uses cigarette tax moneys that are the property of this state is guilty of theft, whether the distributor has or claims to have an interest in those moneys.

10. **Can I receive a refund for stamps that are unfit for use?**

Yes, refunds will be granted on stamps unfit for use if the sale of the stamps can be traced back to the distributor filing the claim for refund. To file a refund request:

- Contact the department at (608) 266-6701 to request a Distributor's Refund Claim for Cigarette Tax (Form CT-624).
- Complete a Distributor's Refund Claim for Cigarette Tax (Form CT-624).
- The discount and service charges, including expenses of determining the amount of refund, will be deducted from all refunds granted.

11. **What will happen if a stamp is not properly applied?**

Distributors should monitor their stamping quality performance. To be properly applied, the full stamp and at least 50% of the surrounding border must be clearly visible in a proper position on the cigarette package. Cigarette packages that do not bear the proper tax stamp may be seized.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of February 13, 2020: Sections 139.30, 139.31, 139.315, 139.32, 139.321, 139.322, 139.34, 139.345, 139.35, 139.36, 139.38, 139.39, 139.395, 139.40 and 995.12, Wis. Stats., and secs. Tax 9.001, 9.19, 9.26 and 9.47 Wis. Adm. Code.

Laws enacted and in effect after February 13, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 13, 2020, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2) (a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

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Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

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