

# Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-7-1-.04

Rule Title: Policy as to Snuff Manufacturers - Merchandise that is to be Destroyed.

☐ New; ☒ Amended; ☐ Repealed; ☐ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the purposed rule? No

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Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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## Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer



Date 07/20/2018

**ECONOMIC IMPACT STATEMENT  
FOR APA RULE  
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-7-1-.04

Rule Title: Policy as to Snuff Manufacturers - Merchandise that is to be Destroyed.

\_\_\_\_\_ New ☒ Amend \_\_\_\_\_ Repeal \_\_\_\_\_ Adopt by Reference

- ☒ NO  
☐ YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10.       DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH  
IF THE RULE IS NOT IMPLEMENTED:
11.       OTHER COMMENTS:

**ALABAMA DEPARTMENT OF REVENUE**  
**Business License Tax**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-7-1-.04

Policy as to Snuff Manufacturers - Merchandise that is to be Destroyed.

**INTENDED ACTION**

Amend

**SUBSTANCE OF  
PROPOSED ACTION:**

The department proposes to amend the above mentioned rule clarify items required for refund of tobacco taxes paid for products returned by wholesalers to manufacturers.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **01:45 PM on Tuesday, September 11, 2018, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

Tuesday, September 11, 2018

**CONTACT PERSON AT AGENCY:**

Meagan Barrett

Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380



Michael D. Gamble, Secretary  
Alabama Department of Revenue



810-7-1-.04. Refund for Tobacco Products Policy as to Snuff Manufacturers  
Merchandise that is to be Destroyed by a Manufacturer.

In order for a wholesaler to receive a refund for tobacco products returned to and destroyed by the manufacturer, the following information must be provided to the Department of Revenue:

- (1) A copy of the packing slip which corresponds with the tobacco products to be destroyed;
- (2) A copy of the credit memorandum issued by the manufacturer to the wholesaler covering the damaged or defective tobacco products; and
- (3) An affidavit from the manufacturer to the effect that the tobacco products have been or will be destroyed and the value of the applicable tax for the tobacco merchandise to be destroyed.

Upon receipt and approval of the required documentation, the department will refund to the wholesaler the value of the applicable tax due on the destroyed tobacco products. If a subsequent audit determines that this refund was issued in error, the wholesaler shall be liable for the applicable tax plus penalties and interest.

~~The snuff manufacturer will furnish the Department of Revenue a copy of the packing slip on which is listed in detail by sizes, quantities, etc., all of the snuff to be destroyed, together with a copy of the credit memorandum issued by the manufacturer covering the merchandise, and the affidavit from the representative to the effect that he has actually destroyed this merchandise setting out the value of the stamps affixed, and the Department will refund to the wholesaler the value of the stamps that were affixed to the destroyed merchandise. Procedures and practices by wholesalers which are strictly prohibited by tobacco tax law.~~

- ~~(a) Borrowing unstamped tobacco from another wholesaler.~~
- ~~(b) Pick up or exchange of unstamped tobacco from a bonded warehouse or freight terminal.~~
- ~~(c) Intrastate shipment of unstamped tobacco to another wholesaler.~~
- ~~(d) Sale, borrowing or lending of State stamps and State administered county stamps.~~
- ~~(e) Failing to stamp tobacco within 36 hours of receipt.~~
- ~~(f) Transporting unstamped tobacco to a national guard unit without a completed purchase order.~~
- ~~(g) Delivery within Alabama of tobacco destined for other states. Such products must be delivered by the wholesaler in their vehicle or shipped by common carrier to the out-of-state location.~~

Author: Alisa Johnson  
Authority: §§40-2A-7(a)(5), 40-25-10 & 40-25-15(e), Code of Ala. 1975.  
History: Adopted through APA October 24, 1983.  
Amended: Filed July 20, 2018; Effective