

# Transmittal Sheet For Notice Of Intended Action

Control: 810Department or Agency: RevenueRule Nos: 810-7-1-.06Rule Title: Gummed Cigarette Rolling Paper Tax☐ New; ☒ Amended; ☐ Repealed; ☐ Adopt by Reference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 proposed 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-.06

Rule Title: Gummed Cigarette Rolling Paper Tax

\_\_\_\_\_ New x 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-.06                      Gummed Cigarette Rolling Paper Tax

**INTENDED ACTION**            Amend

**SUBSTANCE OF  
PROPOSED ACTION:**        The department proposes to amend this rule to clarify that it relates to  
county tobacco rolling paper tax only.

**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-.06.**

**Gummed Cigarette Rolling Paper Tax.**

(1) In cases where the gummed cigarette rolling papers are furnished by certain manufacturers in the same package with their tobacco product, the wholesale distributors purchasing said products are not liable for the tax on the papers when they are included in a package with a related tobacco product. The inclusion of gummed cigarette rolling papers in a container of tobacco is merely incidental to the sale of tobacco. The gummed cigarette papers are more of a convenience and an inducement to the purchase of the tobacco product.

**However, if the papers are sold as a separate item from other tobacco products, then the applicable county rolling papers tax would be required.**

(2) ~~Under Section 2 of Act 80-700, the t~~Tax is levied on gummed cigarette papers sold at wholesale in this State or imported into the State for use, consumption, or sale at retail.

(3) **This information relates only to state-administered county tobacco taxes.**

Author:	Alisa Johnson
Authority:	§§40-2A-7(a)(5), and 40-25A-16, <u>Code of Ala. 1975.</u>
History:	Adopted through APA October 24, 1983. Amended: Filed June 20, 2018; Effective