

**CIGARETTE DISTRIBUTOR CIGARETTE STAMP ADJUSTMENT TAX RETURN**

<b>DUE ON OR BEFORE</b>	
[ <b>FOID</b> ]	ACCOUNT NUMBER <b>CFD</b>

BOE USE ONLY		
RA-B/A	AUD	REG
RR-QS	FILE	REF
EFF		

BOARD OF EQUALIZATION  
SPECIAL TAXES AND FEES  
PO BOX 942879  
SACRAMENTO CA 94279-2074

**READ INSTRUCTIONS  
BEFORE PREPARING**

**GENERAL**

Proposition 56 increased the cigarette tax stamp rate from \$0.87 to \$2.87 per pack of 20 cigarettes. As a cigarette distributor in California, you are required to report and pay a cigarette stamp adjustment tax for each unaffixed and affixed California cigarette tax stamp in your possession or under your control at 12:01 a.m., on April 1, 2017.

*NOTE:* The cigarette stamp adjustment tax **does NOT** apply to little cigars. **Do NOT** report packages of little cigars on this return. Unstamped little cigars are to be reported as tobacco products by tobacco distributors.

UNAFFIXED	A NUMBER OF STAMPS	B RATE	C TAX (columns A x B)		D TOTAL
1. Tax Stamps - 10 Denomination		\$	\$	1.	
2. Tax Stamps - 20 Denomination		\$	\$	2.	
3. Tax Stamps - 25 Denomination		\$	\$	3.	
4. Total Tax Due on Unaffixed Stamps <i>(add lines 1C through 3C)</i>				4.	\$
AFFIXED	A NUMBER OF STAMPS	B RATE	C TAX (columns A x B)		D TOTAL
5. Tax Stamps - 10 Denomination		\$	\$	5.	
6. Tax Stamps - 20 Denomination		\$	\$	6.	
7. Tax Stamps - 25 Denomination		\$	\$	7.	
8. Total Tax Due on Affixed Stamps <i>(add lines 5C through 7C)</i>				8.	\$
<b>9. TOTAL AMOUNT OF CIGARETTE STAMP ADJUSTMENT TAX</b> <i>(add lines 4D and 8D)</i>				9.	\$
10. <b>PENALTY</b> <i>[multiply line 9D by 10% (0.10) if your tax payment is made, or your return is filed, after the due date shown above]</i>				10.	\$
11. <b>INTEREST:</b> One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date. The adjusted monthly interest rate is <a href="#">Interest Rate Calculator</a>				11.	\$
<b>12. TOTAL AMOUNT DUE AND PAYABLE</b> <i>(add lines 9D, 10D, and 11D)</i>				12.	\$

<i>I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.</i>		EMAIL ADDRESS	
SIGNATURE	PRINT NAME AND TITLE	TELEPHONE ( )	DATE

**Payments:** To make your payment online, go to the State Board of Equalization (BOE) website at [www.boe.ca.gov](http://www.boe.ca.gov) and select the "Make a Payment" tab. You can also pay by credit card on the website, or by calling 1-855-292-8931. If you pay by credit card, a service fee will apply. If you are paying by check or money order, be sure to include your account number.



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## INSTRUCTIONS CIGARETTE DISTRIBUTOR CIGARETTE STAMP ADJUSTMENT TAX RETURN

### FILING REQUIREMENTS

Section 30130.52(b) of the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) requires every licensed cigarette distributor to pay a cigarette tax stamp adjustment tax for each California cigarette tax stamp that is unaffixed and affixed to any package of cigarettes in its possession or under its control as of 12:01 a.m., on April 1, 2017. The distributor must file a return and pay any taxes due to the State Board of Equalization on or before July 1, 2017.

Unusable cigarette tax stamps that are unaffixed and cigarette tax stamps affixed to unsaleable cigarette packs must be included in this return so that future claims for refund may be made at the new cigarette tax rate.

Accounting records of your unaffixed and affixed cigarette tax stamps reported as in your possession or under your control as of 12:01 a.m. on April 1, 2017, must be maintained on physical inventory count sheets and kept with your copy of the return.

Cigarette tax stamps that were ordered, approved, and processed on or before March 31, 2017, that are "in transit" must be included in your inventory count and reported as unaffixed on this return.

**The floor stock tax does not apply to little cigars. Do not include packages of product labeled as little cigars in your inventory count.** Little cigars are no longer considered cigarettes and will be considered tobacco products effective April 1, 2017. Proposition 56 expanded the definition of "Tobacco Products" to include products labeled as little cigars under federal regulation (27 C.F.R. section 40.214 [2006] and the federal Cigarette Labeling and Advertising Act (15 U.S.C. section 1331 et seq.)). This means little cigars no longer require cigarette tax stamps beginning April 1, 2017.

### DEFINITIONS

***Cigarette*** means any roll for smoking, made wholly or in part of tobacco, irrespective of size or shape and irrespective of whether the tobacco is flavored, adulterated or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material, except where such wrapper is wholly or in the greater part made of tobacco and such roll weighs over three pounds per thousand sticks (Revenue and Taxation Code section 30003).

***Distributor*** includes every person who makes a distribution of cigarettes or accepts orders for cigarettes, which are to be transported from a point outside this State to a consumer within this State (Revenue and Taxation Code section 30011).

***Distribution*** includes the sale, use, or consumption of untaxed cigarettes in California, or the placing of untaxed cigarettes in a vending machine or in retail stock for the purpose of selling the cigarettes to consumers (Revenue and Taxation Code section 30008).

**RETURN INSTRUCTIONS**

- General** Report the number of cigarette tax stamps in your possession or under your control as of 12:01 a.m. on April 1, 2017.
- Line 1A** **Number of Unaffixed Tax Stamps - 10 Denomination.** Enter the total number of unaffixed stamps for packs of 10 cigarettes on line 1A.
- Line 1C** **Unaffixed Tax Stamps - 10 Denomination Stamp Adjustment Tax.** Multiply line 1A by line 1B. Enter the result on line 1C.
- Line 2A** **Number of Unaffixed Tax Stamps - 20 Denomination.** Enter the total number of unaffixed stamps for packs of 20 cigarettes on line 2A.
- Line 2C** **Unaffixed Tax Stamps - 20 Denomination Stamp Adjustment Tax.** Multiply line 2A by line 2B. Enter the result on line 2C.
- Line 3A** **Number of Unaffixed Tax Stamps - 25 Denomination.** Enter the total number of unaffixed stamps for packs of 25 cigarettes on line 3A.
- Line 3C** **Unaffixed Tax Stamps - 25 Denomination Stamp Adjustment Tax.** Multiply line 3A by line 3B. Enter the result on line 3C.
- Line 4D** **Unaffixed Tax Stamps - Total Stamp Adjustment Tax.** Add lines 1C, 2C, and 3C. Enter the result in line 4D.
- Line 5A** **Number of Affixed Tax Stamps - 10 Denomination.** Enter the total number of affixed stamps for cigarette packs of 10 cigarettes on line 5A.
- Line 5C** **Affixed Tax Stamps - 10 Denomination Stamp Adjustment Tax.** Multiply line 5A by line 5B. Enter the result on line 5C.
- Line 6A** **Number of Affixed Tax Stamps - 20 Denomination.** Enter the total number of affixed stamps for cigarette packs of 20 cigarettes on line 6A.
- Line 6C** **Affixed Tax Stamps - 20 Denomination Stamp Adjustment Tax.** Multiply line 6A by line 6B. Enter the result on line 6C.
- Line 7A** **Number of Affixed Tax Stamps - 25 Denomination.** Enter the total number of affixed stamps for cigarette packs of 25 cigarettes on line 7A.
- Line 7C** **Affixed Tax Stamps - 25 Denomination Stamp Adjustment Tax.** Multiply line 7A by line 7B. Enter the result on line 7C.
- Line 8D** **Affixed Tax Stamps - Total Stamp Adjustment Tax.** Add lines 5C, 6C, and 7C. Enter the result on line 8D.
- Line 9D** **Total Stamp Adjustment Tax.** Add lines 4D and 8D. Enter the result on line 9D.
- Line 10D** **Penalty.** If your return and/or tax payment is filed after the due date shown at the top of this return, a 10 percent (0.10) penalty is due. Multiply line 9D by 10 percent (0.10) and enter the result on line 10D.
- Line 11D** **Interest.** If your tax payment is made after the due date shown at the top of the return, you must pay interest charges in addition to penalty charges. The adjusted monthly interest is shown on line 11 of this return. (You will owe one month's interest for each month or portion of a month the payment is overdue. For example, if your payment is one month and two weeks overdue, you owe two months' interest.) Multiply line 9D by the interest rate shown on line 11 for one month's interest. Then multiply your result by the number of months the return is late. Enter the result on line 11D.
- Line 12D** **Total Amount Due and Payable.** Add lines 9D, 10D, and 11D. Enter the result on line 12D.

**Sign and Mail Your Return**

Make check or money order payable to State Board of Equalization. Always write your account number on your check or money order. Make a copy of this document for your records. Mail your return and payment in the envelope provided, making sure the BOE's address shows through the window.

If you need additional information, please contact the State Board of Equalization, Special Taxes and Fees, P.O. Box 942879, Sacramento, CA 94279-0088. You may also visit the BOE website at [www.boe.ca.gov](http://www.boe.ca.gov) or call the Customer Service Center at 1-800-400-7115 (TTY:711); from the main menu, select the option Special Taxes and Fees. Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.