

SUBCHAPTER 4C - CIGARETTE TAX

SECTION .0100 - GENERAL PROVISIONS

17 NCAC 04C .0101 DEFINITIONS

In addition to those definitions as set out in G.S. 105-113.4, the following terms and phrases as used in this Subchapter shall, unless the context requires otherwise, have the following meanings:

- (1) Article. Tobacco Products Tax Act or Tobacco Products Tax Article, Article 2A, Chapter 105 of the General Statutes of North Carolina;
- (2) Department. North Carolina Department of Revenue;
- (3) Excise Tax. The excise tax levied under G.S. 105-113.5, G.S. 105-113.6, and G.S. 105-113.35;
- (4) In this State or within this State - Within the exterior limits of the State of North Carolina, and includes all territory within such limits owned by, leased by or ceded to the United States of America;
- (5) Other Tobacco Product - A cigar or any other product that contains tobacco, other than a cigarette, and is intended for inhalation or oral use;
- (6) Revenue Agent. Revenue officer, auditor or other personnel of the North Carolina Department of Revenue authorized by the secretary to act in his behalf;
- (7) State. State of North Carolina;
- (8) Vending Machine. Dispenser or dispensing machine;
- (9) Wholesale Cigarette Dealer. Any person who sells cigarettes to others for resale by them who does not qualify as a distributor under the definition of distributor in G.S. 105-113.4.

History Note: Authority G.S. 105-113.4; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; June 1, 1992; October 30, 1981.

17 NCAC 04C .0102 RATE OF EXCISE STAMP TAX 17 NCAC 04C .0103 RATE OF DISCOUNT ALLOWED

History Note: Authority G.S. 105-113.5; 105-113.21; 105-113.37;
Eff. February 1, 1976;
Repealed Eff. October 30, 1981.

SECTION .0200 - CIGARETTE DISTRIBUTORS LICENSE

17 NCAC 04C .0201 APPLICATION OF LICENSE

(a) Before any distributor's license is issued, Application for Cigarette Distributor's License (Form B-A-1) shall be made. The application shall be signed and verified by oath or affirmation by:

- (1) the owner, if a natural person,
- (2) a member or partner, if an association or a partnership, or
- (3) an executive officer, or any other person authorized in writing by the corporation, if a corporation.

(b) The distributor shall notify the Secretary in writing of any changes in the information previously provided on the license application as such changes occur.

(c) The distributor shall also notify the Secretary in writing of the exact location and telephone number of all warehouse or storage facilities where non-tax-paid cigarettes are received or stored before such facilities are placed in use.

History Note: Authority G.S. 105-113.11; 105-113.12; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; October 30, 1981.

17 NCAC 04C .0202 OUT-OF-STATE DISTRIBUTOR 17 NCAC 04C .0203 LICENSE NOT PRORATED

History Note: Authority G.S. 105-113.13; 105-113.24; 105-113.37;
Eff. February 1, 1976;

Repealed Eff. October 30, 1981.

17 NCAC 04C .0204 EXHIBIT OF LICENSE

*History Note: Authority G.S. 105-113.17; 105-262;
Eff. February 1, 1976;
Expired Eff. January 1, 2019 pursuant to G.S. 150B-21.3A.*

17 NCAC 04C .0205 DISTRIBUTOR TO NOTIFY MANUFACTURER

It shall be the responsibility of each cigarette distributor to notify the cigarette manufacturers from whom non-tax-paid cigarettes are purchased or received of the cigarette distributor's license issued by the Secretary and of any subsequent changes to the license.

*History Note: Authority G.S. 105-113.12; 105-113.13; 105-262;
Eff. October 30, 1981;
Amended Eff. January 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.*

SECTION .0300 - PURCHASE AND SALE OF DECAL STAMPS

**17 NCAC 04C .0301 DECAL STAMPS
17 NCAC 04C .0302 CREDIT SALES OF STAMPS**

*History Note: Authority G.S. 105-113.19; 105-262;
Eff. February 1, 1976;
Amended Eff. April 1, 1986; July 1, 1984; October 30, 1981;
Repealed Eff. January 1, 1994.*

SECTION .0400 - PURCHASE AND SALE OF METER IMPRINT STAMPS

**17 NCAC 04C .0401 AUTHORIZATION
17 NCAC 04C .0402 SETTING
17 NCAC 04C .0403 CREDIT SALES
17 NCAC 04C .0404 INSPECTION**

*History Note: Authority G.S. 105-113.19; 105-113.23; 105-262;
Eff. February 1, 1976;
Amended Eff. October 30, 1981;
Repealed Eff. January 1, 1994.*

17 NCAC 04C .0405 METER MACHINE MAINTENANCE

*History Note: Authority G.S. 105-113.23; 105-262;
Eff. June 11, 1977;
Repealed Eff. January 1, 1994.*

SECTION .0500 - AFFIXATION OF STAMPS AND IMPRINTS

**17 NCAC 04C .0501 MANNER OF AFFIXING
17 NCAC 04C .0502 UNSTAMPED CIGARETTES
17 NCAC 04C .0503 RESPONSIBILITY OF PURCHASER**

History Note: Authority G.S. 105-113.9; 105-113.20; 105-113.22; 105-113.27; 105-262;

Eff. February 1, 1976;
Amended Eff. October 30, 1981; June 11, 1977;
Repealed Eff. January 1, 1994.

17 NCAC 04C .0504 OUT-OF-STATE SALES: NONRESIDENT REGISTRATION

(a) Sales of non-tax-paid cigarettes by a licensed North Carolina distributor to nonresident retail or wholesale dealers must be delivered by the North Carolina distributor to the business location of the nonresident in another state to qualify as an out-of-state sale exempted from the North Carolina cigarette excise tax. A nonresident dealer may accept delivery of cigarette purchases in this State provided:

- (1) The nonresident dealer has no place of business in North Carolina;
- (2) The nonresident dealer is purchasing cigarettes for the purpose of resale outside of North Carolina;
- (3) The nonresident dealer is registered with the Documents and Payments Processing Division, Tobacco Tax Unit of this department as a nonresident retail and wholesale cigarette dealer; and
- (4) The nonresident dealer's cigarette purchases must have affixed thereto by the North Carolina distributor the taxpaid cigarette indicia of the state of the nonresident purchaser where required.

(b) Registration of the nonresident retail or wholesale cigarette dealer is not required where the North Carolina resident cigarette distributor delivers cigarette purchases of such nonresident dealer to the nonresident business location outside this state.

(c) Cigarettes sold and delivered outside this state must have affixed thereto by the North Carolina cigarette distributor selling same the taxpaid cigarette indicia of the state of the nonresident purchaser where required.

(d) The North Carolina cigarette distributor shall be held responsible for the accuracy and authenticity of the nonresident retail or wholesale dealer's registration number. Verification may be made at any time by inquiry to the Documents and Payments Processing Division, Tobacco Tax Unit of this department. It is also the distributor's responsibility to keep and retain in his records the executed certificate, Form B-A-52, for examination and audit and the distributor shall be required to identify each invoice or bill of sale made to such nonresident retail or wholesale cigarette dealer by noting thereon his registration number.

History Note: Authority G.S. 105-113.9; 105-262;
Eff. September 20, 1977;
Amended Eff. April 1, 2008; January 1, 1994; October 30, 1981.

17 NCAC 04C .0505 LIMITED TIME TO AFFIX TAXPAID INDICIA (STAMPS AND IMPRINTS)

History Note: Authority G.S. 105-113.20; 105-262;
Eff. October 1, 1991;
Repealed Eff. January 1, 1994.

SECTION .0600 - CIGARETTE MANUFACTURER

17 NCAC 04C .0601 SALES TO LICENSED DISTRIBUTORS

History Note: Authority G.S. 105-113.10; 105-113.37;
Eff. February 1, 1976;
Repealed Eff. October 30, 1981.

17 NCAC 04C .0602 INVOICE REQUIREMENT

(a) Manufacturers are hereby required to forward the secretary copies of all invoices, or equivalent information, of shipments of cigarettes to distributors, wholesalers or retail dealers in this state on a monthly basis, or at the time of the shipment.

(b) An invoice is also required on gratis cigarettes stamped by licensed distributors on behalf of the manufacturer.

History Note: Authority G.S. 105-113.10; 105-262;
Eff. February 1, 1976;
Amended Eff. October 30, 1981; June 11, 1977.

17 NCAC 04C .0603 TAX ON COMPLIMENTARY PACKS

History Note: Authority G.S. 105-113.5; 105-113.10; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994;
Repealed Eff. July 1, 2000.

17 NCAC 04C .0604 MANUFACTURER ACTING AS DISTRIBUTOR

History Note: Authority G.S. 105-113.10; 105-262;
Eff. February 1, 1976;
Repealed Eff. January 1, 1994.

SECTION .0700 - RECEIPT OF UNSTAMPED CIGARETTES

17 NCAC 04C .0701 DISTRIBUTOR RESPONSIBLE FOR TAX

History Note: Authority G.S. 105-113.10; 105-113.5; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994;
Repealed Eff. August 1, 2003.

17 NCAC 04C .0702 INSURE CIGARETTE INVENTORY

A distributor is liable for the tax upon any non-tax-paid cigarettes which are stolen or otherwise unaccounted for.

History Note: Authority G.S. 105-113.5; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994.

SECTION .0800 - EXEMPTIONS

17 NCAC 04C .0801 FEDERAL GOVERNMENT

- (a) Non-tax-paid cigarettes may be sold to the federal government and its instrumentalities, such as the Armed Forces Exchange Services, but sales by such services shall be limited to members of the armed forces and their dependents who hold identification cards entitling them to make purchases through armed forces exchange services.
- (b) Whenever deliveries of non-tax-paid cigarettes are made by distributors to armed forces exchange services, the person making such delivery shall have in his actual possession invoices for such cigarettes which shall show date, invoice number, name and address of distributor, and the name and address of the purchaser and the quantity and brands of cigarettes being transported. If these conditions are not complied with, the non-tax-paid cigarettes shall be subject to confiscation, and the distributor taxed on such sales or deliveries made in an unauthorized manner. In the event of such deliveries of non-tax-paid cigarettes, the cigarettes shall be physically delivered by the distributor's conveyance or a duly authorized common carrier directly to the situs where the installation of the governmental agency is located. Upon such delivery the distributor shall require a duly receipted invoice or copy thereof from the governmental agent, designated to accept delivery. Distributor shall have a bona fide bill of lading, if delivery is made by common carrier.
- (c) No sales of non-tax-paid cigarettes on military installations may be made through vending machines, other than those owned and operated by the federal government or instrumentalities thereof.
- (d) If a person engages in the sale of cigarettes on a military reservation, regardless of the fact that he may have a contract with the federal government, whereby the federal government will receive a commission, flat fee or some other type of compensation on such sales, same does not exempt the sale of such cigarettes from the cigarette excise tax. In such instance, such sales would not be made by the federal government or an instrumentality of the federal government. Instead, on all such sales, the cigarette tax is due.

History Note: Authority G.S. 105-113.8; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; October 30, 1981;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .0802 FREE DISTRIBUTION BY MANUFACTURER

History Note: Authority G.S. 105-113.5; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; October 30, 1981;
Repealed Eff. January 1, 2005.

SECTION .0900 - REPORTS AND RECORDS REQUIRED OF DISTRIBUTORS

17 NCAC 04C .0901 MONTHLY REPORT FOR RESIDENT DISTRIBUTOR

- (a) Every licensed resident distributor shall file a report (Form B-A-5) on or before the 20th day of each month.
- (b) Non-tax-paid cigarettes shipped, delivered or sold outside the state during the month shall be reported on supplemental Form B-A-5, Schedule I.
- (c) Cigarettes returned to the manufacturer during the month shall be reported on supplemental Form B-A-5, Schedule J.

History Note: Authority G.S. 105-113.18; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994.

17 NCAC 04C .0902 MONTHLY REPORT FOR NONRESIDENT DISTRIBUTOR

Every licensed nonresident distributor shall file a report (Form B-A-6) on or before the 20th day of each month.

History Note: Authority G.S. 105-113.18; 105-262;
Eff. February 1, 1976.

17 NCAC 04C .0903 RECORD REQUIREMENT

- (a) Each sale of cigarettes at wholesale, including cash and credit transactions, and regardless of whether the sale is made to another distributor, wholesale dealer, retail dealer, or is a transfer to a self-owned outlet or an agency or agent, shall be accompanied by a completed invoice indicating the person to whom the cigarettes were sold, the address of the purchaser, the date of the sale, the quantity sold, and the price charged.
- (b) If a distributor is also a retail dealer and sells cigarettes directly to consumers, an invoice or a memorandum shall be prepared showing the transfer of all cigarettes from the distributor to the retail activity.

History Note: Authority G.S. 105-113.26; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994.

SECTION .1000 - REFUND

17 NCAC 04C .1001 RETURN UNUSED STAMPS: NO TRANSFER

History Note: Authority G.S. 105-113.20; 105-113.25; 105-113.37;
Eff. February 1, 1976;
Repealed Eff. October 30, 1981.

17 NCAC 04C .1002 REFUNDS ONLY TO DISTRIBUTORS

Any spoiled packages of tax-paid cigarettes in the hands of a retailer or wholesaler shall be returned to its respective distributors, as refunds of the cigarette tax thereon will only be made to the distributor.

History Note: Authority G.S. 105-113.25; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994.

17 NCAC 04C .1003 MUTILATED BUT IDENTIFIABLE STAMPS

17 NCAC 04C .1004 OUT-OF-STATE SHIPMENTS: NO REFUND

History Note: *Authority G.S. 105-113.25; 105-262;*
 Eff. February 1, 1976;
 Amended Eff. June 11, 1977;
 Repealed Eff. January 1, 1994.

SECTION 1100 – RAILROADS AND OCEAN-GOING VESSELS

17 NCAC 04C .1101 DEALERS ON TRAINS

History Note: *Authority G.S. 105-113.6; 105-262;*
 Eff. February 1, 1976;
 Amended Eff. July 1, 2000; January 1, 1994;
 Expired Eff. January 1, 2019 pursuant to G.S. 150B-21.3A.

17 NCAC 04C .1102 OCEAN-GOING VESSELS

Non-tax-paid cigarettes may be sold for use or consumption by or on ocean-going vessels which leave the continental United States and which ply the high seas in interstate or foreign commerce in the transport of freight or passengers for hire exclusively when delivered to an officer or agent of such vessel for use by or on such vessel accordingly. Receipt for delivery of such non-tax-paid cigarettes shall be signed for by an authorized officer or agent of such vessel, and such signed receipts shall be retained by the distributor for a period of three years; also, a copy of same shall be appended to the appropriate monthly tax report of the distributor. Only North Carolina tax-paid cigarettes may be sold by such vessels while in port or within the territorial limits of this state.

History Note: *Authority G.S. 105-113.6; 105-262;*
 Eff. February 1, 1976;
 Amended Eff. January 1, 1994;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

SECTION .1200 - CIGARETTE VENDING MACHINES

17 NCAC 04C .1201 IDENTIFICATION REQUIREMENT FOR EACH MACHINE

(a) Distributors, wholesalers or retail dealers owning, leasing, furnishing or operating cigarette vending machines shall affix to each such machine in a conspicuous place an identification sticker or device, which shall show the name, address and telephone number of the operator owning and placing such machine on location. The owner of the business wherein such machine is located shall also be responsible for seeing that such vending machine is so identified.

(b) No cigarette dispensing machine shall be allowed to operate in this state that does not have affixed thereto the identification required under G.S. 105-113.17.

History Note: *Authority G.S. 105-113.17; 105-262;*
 Eff. February 1, 1976;
 Amended Eff. January 1, 1994;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1202 VENDING MACHINE OPERATORS

History Note: *Authority G.S. 105-65.1; 105-113.18; 105-262;*
 Eff. February 1, 1976;
 Amended Eff. July 1, 1984;
 Expired Eff. January 1, 2019 pursuant to G.S. 150B-21.3A.

17 NCAC 04C .1203 DISTRIBUTORS WITH VENDING MACHINES

History Note: Authority G.S. 105-113.18; 105-250.1; 105-113.37;
 Eff. February 1, 1976;
 Repealed Eff. July 1, 1984.

17 NCAC 04C .1204 DISPLAY STAMPED CIGARETTES IN MACHINES

History Note: Authority G.S. 105-113.22; 105-113.28; 105-262;
 Eff. February 1, 1976;
 Repealed Eff. January 1, 1994.

SECTION .1300 - OTHER TOBACCO PRODUCTS LICENSES

17 NCAC 04C .1301 LICENSE REQUIREMENTS

(a) Wholesale dealers and retail dealers, liable for excise tax on other tobacco products under G.S. 105-113.35, must obtain a continuing Other Tobacco Products Tax License on forms prescribed by the Secretary for each "place of business" as defined under G.S. 105-113.36.

(b) The application for license shall be signed and verified by oath or affirmation by the owner, if a natural person, and in the case of an association or partnership, by a member or partner thereof, and in the case of a corporation, by an executive officer thereof or by any person specifically authorized by the corporation to sign the application to which shall be attached the written evidence of his authority.

(c) The licensee shall notify the Secretary in writing of any changes in the information previously provided on the license application as such changes occur.

(d) The licensee shall be responsible for notifying the manufacturers from whom other tobacco products are purchased or received of the other tobacco products license issued by the Secretary and of any subsequent change relative to the license.

(e) The license is not assignable, transferable, or prorated.

History Note: Authority G.S. 105-113.35; 105-113.36; 105-262;
 Eff. June 1, 1992;
 Amended Eff. January 1, 1994.

SECTION .1400 - MANUFACTURERS OF OTHER TOBACCO PRODUCTS

17 NCAC 04C .1401 INVOICE REQUIREMENT

When requested by the Secretary, manufacturers shall provide copies of all invoices, or equivalent information, on shipments of other tobacco products for sale in this State.

History Note: Authority G.S. 105-262;
 Eff. June 1, 1992.

17 NCAC 04C .1402 SALES TO LICENSED DEALERS ONLY

(a) No manufacturer may make shipments of other tobacco products directly to a person in this State not qualified and licensed as a wholesale or retail dealer of other tobacco products.

(b) Any manufacturer of other tobacco products shipping such products to other wholesale or retail dealers who are licensed pursuant to G.S. 105-113.36 for payment of the other tobacco products excise tax is relieved of the requirement of paying the tax.

History Note: Authority G.S. 105-113.35; 105-113.37; 105-262;
 Eff. June 1, 1992;
 Amended Eff. January 1, 1994.

17 NCAC 04C .1403 MANUFACTURERS ACTING AS RETAILER

A retail dealer who manufacturers other tobacco products and sells those products to consumers in this State is liable for the tax except for those transactions in other tobacco products which meet exemption from the tax under G.S. 105-113.35.

History Note: Authority G.S. 105-113.35; 105-262;
Eff. June 1, 1992.

SECTION .1500 - LIABILITY FOR OTHER TOBACCO PRODUCTS EXCISE TAX

17 NCAC 04C .1501 PRIMARY LIABILITY

History Note: Authority G.S. 105-113.35; 105-262;
Eff. June 1, 1992;
Amended Eff. January 1, 1994;
Expired Eff. January 1, 2019 pursuant to G.S. 150B-21.3A.

SECTION .1600 - MILITARY EXEMPT SALES

17 NCAC 04C .1601 EXEMPT SALES LIMITED TO ARMED FORCES AND THEIR DEPENDENTS

Other tobacco products sold to the Federal Government and its instrumentalities, such as the Armed Forces Exchange Services, are exempt from the excise tax. However, sales of other tobacco products by such services **MUST BE LIMITED** to members of the armed forces and their dependents who hold identification cards entitling them to make purchases through armed forces exchange services.

History Note: Authority G.S. 105-113.35; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1602 DELIVERIES TO ARMED FORCES EXCHANGE SERVICES

Whenever tax exempt deliveries of other tobacco products are made by dealers to armed forces exchange services, the dealer must require a duly receipted invoice or copy thereof from the governmental agent designated to accept delivery.

History Note: Authority G.S. 105-113.35; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1603 SALES OF OTHER TOBACCO PRODUCTS: BY OTHERS: NOT EXEMPT

If a person engages in the sale of any other tobacco products on a military reservation, regardless of the fact that he may have a contract with the Federal Government, whereby the Federal Government will receive a commission, flat fee or some other type of compensation on such sales, same does not exempt the sale of such products from the excise tax. In such instances, such sales would not be made by the Federal Government or an instrumentality thereof. Instead, all such sales are subject to the excise tax.

History Note: Authority G.S. 105-113.35; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

SECTION .1700 - DESIGNATION OF EXEMPT SALES

17 NCAC 04C .1701 MUST SELL AS DESIGNATED

Once other tobacco products are designated as tax exempt under G.S. 105-113.35, they must be sold in tax exempt transactions.

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1702 NO DELAYED OR DEFERRED TAX PAYMENT ALLOWED

No wholesale dealer or retail dealer or customer of a wholesaler may delay payment of the tax due on other tobacco products by failing to pay tax on a sale that is not a designated sale or by overstating the quantity of other tobacco products that will be resold in an exempt transaction.

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1703 PRIOR WRITTEN NOTIFICATION REQUIRED FROM NC CUSTOMERS

A wholesale dealer may sell other tobacco products nontaxpaid to a customer who has tax exempt sales provided the customer has notified the wholesale dealer in writing that the customer intends to resell the items in exempt transactions. Where prior written notification is not provided, the wholesale dealer must remit applicable tax.

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1704 INVOICING REQUIREMENTS

The wholesale dealer must separately invoice and indicate the other tobacco products designated for exempt transactions. For example, sales designated for customers with other tobacco product sales outside North Carolina must be invoiced to read, "Designated for Sale Outside North Carolina".

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1705 REPORTING REQUIREMENTS

The wholesale dealer selling the designated other tobacco products must file a monthly report using Form B-A-101 within 20 days after the end of the month covered by the report.

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Amended Eff. January 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1706 ORIGINAL SELLER NOT LIABLE FOR TAX

The wholesale dealer, who relies on the prior written exempt intent of its customer, is not required to pay tax on the designated sales when filing a monthly report. However, the wholesaler must pay the tax due on all other taxable sales.

History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.

17 NCAC 04C .1707 PENALTIES FOR IMPROPER HANDLING OF DESIGNATED PRODUCT

The tax liability plus penalties and interest will be held against the wholesaler's customer who sells other tobacco products designated exempt in a taxable transaction. Customers violating designation procedures are not entitled to the timely payment discount.

*History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Amended Eff. January 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 22, 2018.*

17 NCAC 04C .1801 MONTHLY RETURN REQUIREMENTS

A tobacco products wholesale dealer or retail dealer licensed under G.S. 105-113.36 must file a monthly return in accordance with G.S. 105-113.37. A return must be filed each month even if no tax is due for that month.

*History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992;
Amended Eff. July 1, 2000.*

17 NCAC 04C .1802 INVOICING REQUIREMENTS

- (a) Sales invoices of wholesale dealers, whether resident or nonresident, liable for the tax shall indicate payment of the excise tax on other tobacco products by the wording "North Carolina Other Tobacco Products Tax Paid".
- (b) All sales invoices of nonresident wholesale dealers shall show the point of origin and mode of transportation for all shipments of other tobacco products into this State.

*History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992.*

17 NCAC 04C .1803 RECORDS REQUIREMENTS

Every retail dealer and every wholesale dealer and their customers must keep records of inventories, purchases, and sales of other tobacco products for at least three years. These records and inventories must be maintained separately in such a manner as can be inspected and audited by the Secretary or duly authorized representative at any time without having to go through and separate or segregate all sales of the taxpayer in order to arrive at the amount of exempt sales or inventories.

*History Note: Authority G.S. 105-113.37; 105-262;
Eff. June 1, 1992.*

SECTION .1900 - OTHER TOBACCO PRODUCTS VENDING MACHINES

17 NCAC 04C .1901 IDENTIFICATION AND LOCATION REQUIRED

*History Note: Authority G.S. 105-65.1; 105-113.17; 105-262;
Eff. June 1, 1992;
Expired Eff. January 1, 2019 pursuant to G.S. 150B-21.3A.*