

Cigarette and Tobacco Changes Effective 2009

CIGARETTE SALES TAX EXEMPTION

Effective July 1, 2009, retail sales of cigarettes are no longer exempt from Colorado state sales tax.

FIRE SAFE CIGARETTES

Effective July 31, 2009, all cigarettes sold in Colorado shall meet specified standards for reduced ignition propensity (fire-safe). No cigarettes shall be sold or offered for sale in this state or offered for sale or sold to persons located in this state, after July 31, 2009, without a certification accepted by the Division of Fire Safety. Cigarettes meeting the standards are marked as "FSC", fire standards compliant. A manufacturer, wholesale dealer, agent, retail dealer or other person or entity who knowingly sells or offers to sell cigarettes in violation of this law shall be subject to civil penalty.

UNSTAMPED (CONTRABAND) CIGARETTES

Effective August 5, 2009, any package of cigarettes found at any place in this state without a stamp or imprint are declared to be contraband goods and may be seized. A penalty of twenty-five cents (\$.25) per cigarette will be imposed upon any unstamped cigarettes.

UNTAXED TOBACCO PRODUCTS

Effective August 5, 2009, anyone in possession of tobacco products not taxed by the distributor must pay the Colorado tobacco excise tax within 30 days of receiving the product. Payment can be made using form DR 0225. Failure to pay the tax within 30 days will result in 500% penalty plus tax and interest. (Tobacco products are also subject to sales or use taxes). This new law did NOT change the existing requirement that the first person or entity to bring any tobacco product into Colorado must be licensed as a tobacco distributor.

RECORDS

Effective August 5, 2009, every retailer who is not a licensed tobacco products dealer shall keep at its place of business complete and accurate records to show that all tobacco products received by the retailer were purchased from a licensed distributor.

Please contact Jeanne Pletcher at (303)205-8211 ext.6848 or Tighe Jones at (303)205-8211 ext.6863 with any questions.