STATE OF COLORADO

Taxpayer Service Division
Department of Revenue
1375 Sherman Street
Denver CO 80261
Phone (303)205-8211 ext.6860

Bill Ritter
Governor

Roxanne Huber
Executive Director

Richard Giardini
Director

June 2010

UPCOMING 2010 CIGARETTE AND TOBACCO CHANGES AND REMINDERS

- **Blunt Wraps**. We have received inquiries from distributors and retailers regarding blunt wraps. Blunt wraps **ARE** subject to excise tax per Colorado statute if the blunt product contains tobacco. In addition, legislation was passed last year that addressed untaxed tobacco products. Colorado statute 39-28.5-106 states that if untaxed tobacco product is found in the possession of any entity other than a tobacco distributor and tax has not been paid within 30 days of receipt, a penalty of 500% of the tax is due in addition to tax and interest.

- **Unstamped Cigarettes**. Effective August 11, 2010, new legislation revises the unstamped cigarette statute passed last year and imposes a $.25 (25-cent) per cigarette penalty on any unstamped package of cigarettes purchased or in possession of any entity other than a licensed wholesaler or purchased at a military exchange or commissary.

- **Jenkins Act Reporting**. Per Federal statute (15 U.S.C. 375-378), effective June 22, 2010 all shipments of cigarettes, roll-your-own tobacco and smokeless tobacco made to Colorado must be reported to the Colorado Department of Revenue no later than the 10th day of the month following the month shipments were made. These reports must state the following information:
  - the name and address of the person to whom the shipment was made,
  - the brand,
  - the quantity,
  - seller information as required by Federal statute.

- **Tobacco Packaging.** Per Federal statute, the descriptors 'light', 'mild', 'low' or similar descriptors will be prohibited from cigarette packaging. Retailers and distributors can sell product with these descriptors that were manufactured before June 22, 2010 and sold to them by July 22, 2010. Contact the Brian Laughlin at the Colorado Attorney General's Tobacco Settlement Unit for more information at (303)866-3994.

Please forward this information to your retail customers.

If you have any questions regarding the changes above or any other tobacco questions, please contact the Excise Tax Accounting Section at (303)205-8211 ext.6863 or (303)205-8211 ext.6848.

TAXPAYER SERVICE DIVISION