STATE OF COLORADO

Taxpayer Services Division
Department of Revenue
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To: Colorado Cigarette/Tobacco Distributors

Re: Updates and reminders

- **Cigarette/Tobacco License Renewals** – All cigarette and tobacco licenses expire June 30th. Licenses not renewed will be closed effective June 30, 2011.

- **Electronic Cigarettes** – E-cigarettes that do not contain any tobacco are not subject to the cigarette or tobacco excise tax.

- **Unstamped Cigarettes -** Every pack of cigarettes sold to consumers in Colorado must have a stamp affixed to the bottom of the pack. Cigarettes that do not have a stamp affixed are contraband (illegal). Unstamped cigarettes not in the possession of a licensed cigarette distributor may be seized and is subject to a penalty of twenty-five cents ($.25) per cigarettes.

- **Blunt Wraps** – Blunts wraps that contain tobacco are subject to the Colorado tobacco excise tax.

- **Tobacco Penalty** – If untaxed tobacco product is found in the possession of any entity other than a licensed 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.

- **Jenkins Act** – Federal law states that distributors selling tobacco, in interstate commerce, into Colorado are required to file the PACT Act registration form. In addition, distributors should file by the 10th day of each month a memorandum or a copy of the invoice covering every shipment of cigarettes, roll your own (RYO), or smokeless tobacco made into Colorado during the previous month.

Please forward this information to your retail customers.

If you have any questions regarding this letter 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