

APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 810
Department or Agency: Alabama Department of Revenue
Rule No.: 810-7-1-.26
Rule Title: Procedures For Reporting Sales Of Tobacco Products For Resale In This State
Intended Action: Amend

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

Cameran Clark
Cameran Clark

Date

Friday, June 20, 2025

REC'D & FILED
JUN 20, 2025
LEGISLATIVE SVC AGENCY

ALABAMA DEPARTMENT OF REVENUE

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Revenue

RULE NO. & TITLE: 810-7-1-.26 Procedures For Reporting Sales Of
Tobacco Products For Resale In This State

INTENDED ACTION: Amend

SUBSTANCE OF PROPOSED ACTION:

Pursuant to the passage of Act 2025-448, this rule is being amended to add heated tobacco products as a product that is required to be reported on the Sales for Resale report.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:

A public hearing will be conducted at 1:30 P.M. on Tuesday, August 5, 2025 via web-conference. To participate in the upcoming web-conference public hearing please contact the Tax Policy and Governmental Affairs Division at Taxpolicy@revenue.alabama.gov or 334-242-1380 to obtain the appropriate sign-in information for a specific public hearing date. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to Cameran Clark, Secretary of the Alabama Department of Revenue, 375 South Ripley Street, Montgomery, Alabama 36104 at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also may present their views during the web-conference.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Tuesday, August 5, 2025

CONTACT PERSON AT AGENCY:

Nicci Adams
Alabama Department of Revenue
375 South Ripley Street
Montgomery, Alabama 36104
(334) 242-1380

Cameran Clark

Cameran Clark

(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

Procedures ~~For~~ Reporting Sales ~~Of~~ Tobacco
Products ~~For~~ Resale ~~In This~~ in this State.

(1) Pursuant to §40-25-16.1, Code of Ala. 1975, each wholesaler, jobber, semijobber, registered retailer, importer or any other person selling, receiving, or distributing tobacco products in this state for resale is required to file a monthly report of activity with the department. This code section specifies information required for the report as well as "any other information required by the department." §40-23-260, Code of Ala. 1975, requires that every seller of tobacco products making sales within this state on which sales or use tax was not collected at the time of sale shall file an informational report. The department shall allow the seller to file a consolidated report to meet the requirements of §40-25-16.1, Code of Ala. 1975.

(2) The report shall include, but shall not be limited to:

- (a) Invoice date.
- (b) Invoice number.
- (c) Customer's full name.
- (d) Customer's address.
- (e) Customer's city.
- (f) Customer's state.
- (g) Customer's zip code.
- (h) Customer's sales tax number.
- (i) Description of the tobacco products.
- (j) Product type (Cigarette, Heated Tobacco Products, Cigars, Little Cigars, Filtered Cigars, Smoking Tobacco, Cigar Wrappers, Chewing Tobacco, or Snuff).
- (k) Quantity sold.
- (l) Total sales price.
- (m) The itemized Alabama state tobacco tax paid.
- (n) The itemized county tobacco tax paid.
- (o) The itemized city tobacco tax paid.

(3) The report shall be due no later than the twentieth of the month for the preceding calendar month's sales for resale activity.

(4) ~~If~~ Failure to timely file the report shall result in the levy of penalties according to the provisions of §40-2A-11(a), Code of Ala. 1975.

(5) Retailers who only sell to end-users (consumers) and who make no sales for resale are not required to file this report.

(6) ~~This report shall be filed electronically according to Revenue Rule 810-7-1-.25.~~

~~(7)~~ Persons who fail to file this report, as required, may be subject to the revocation of their tobacco stamping permit or registration in accordance with the provisions of §40-2A-8, Code of Ala. 1975.

~~(8)~~ (7) §40-23-260, Code of Ala. 1975, provides the following penalties if the seller fails to properly file the required informational report in good faith on or before the 20th of the following month for periods on or after January 1, 2019:

(a) First violation - The first violation shall result in a written notice from the department advising the seller of the non-compliance and the penalty for future non-compliance if the report is not filed with thirty (30) days.

(b) Second violation - The second violation shall result in a penalty not to exceed \$500.00. This penalty will apply if a delinquent report is not properly filed within thirty (30) days of the first notice provided under this paragraph or if a report was not properly filed for any period subsequent to one for which a first notice was previously issued.

(c) Third and subsequent violations - The third and each subsequent violation shall result in a penalty not to exceed \$1,000.00.

Author: ~~Loretta Nelson, Lee Poe~~ Sandy Donaldson

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-260, 40-25-16.1, and Title 40, Chapter 30.

History: New Rule: Filed August 27, 2014, effective October 1, 2014. **Amended:** Filed April 9, 2018; effective May 24, 2018.

Amended: Published ; effective .