

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-7-1-.07

Rule Title: Computing Tobacco Tax on Give-Away Sample Cigarettes and Tobacco Products Other than Cigarettes

New; Amend; Repeal; Adopt by Reference

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 and, if so, to what degree?

No

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

N/A

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

Yes

Does the proposed rule have any 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 Reference Service.

Signature of certifying officer *Michael D. Baker*

Date 4/23/13

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10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-7-1-.07

Rule Title: Computing Tobacco Tax on Give-Away Sample Cigarettes and Tobacco Products
Other than Cigarettes

 New X Amend Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

3. EFFECT OF THIS RULE ON COMPETITION:

4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
11. OTHER COMMENTS:

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11/96

**ALABAMA DEPARTMENT OF REVENUE
Business & License Tax Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-7-1-.07 Computing Tobacco Tax on Give-Away Sample Cigarettes and Tobacco Products Other than Cigarettes

INTENDED ACTION: Amend the above rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to correctly state the tax levy on tobacco products distributed as samples, gratis, and promotions.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **10:00 a.m. on Thursday, June 13, 2013, in the Office of the Legal Division, Room 3114,** Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Deputy Commissioner of the Alabama Department of Revenue, Room 4112, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
June 13, 2013

CONTACT PERSON AT AGENCY:

Patricia Toles
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-7-1-.07 Computing Tobacco Tax on Give-Away Sample Packages of Cigarettes and Tobacco Products Other than Cigarettes.

~~(1) Standard~~ All ~~packages of twenty~~-cigarettes and other tobacco products distributed as samples, gratis or for promotional reasons ~~should~~ shall be taxed in accordance with the provisions of §40-25-2(a)~~(8)~~ and §40-25-2.1, Code of Alabama 1975, ~~at the rate of 6 mills on each such cigarette; and, in addition, under §40-25-60(a)(1), Code of Alabama 1975 (1982 Cumulative Supp.), at the rate of 4¢ per package.~~ The appropriate tax shall be paid by affixing tax stamps to packages of cigarettes, or by filing the appropriate monthly tobacco tax return for tobacco products other than cigarettes.

~~(2) Sample packages containing ten cigarettes or less are taxed under §40-25-2(g), Code of Alabama 1975, at the rate of 6¢ per sample package; and, in addition, under §40-25-60(a)(1), supra, at the rate of 4¢ per package.~~

~~(3) Sample packages containing more than ten cigarettes but less than twenty cigarettes are taxed under §40-25-2(g), supra, at the rate of 12¢ per sample package; and, in addition, under §40-25-60(a)(1), supra, at the rate of 4¢ per package.~~

Author: Loretta Nelson James M. Bradshaw
Authority: Sections 40-2A-7(a)(5), 40-25-2.1(i) and 40-25-10, Code of Alabama 1975
History: Adopted through APA October 24, 1983.