



TO: All County Auditors

FROM: Excise, Motor Fuel and Public Utilities Tax Division

DATE: November 2009

SUBJECT: Cigarette Licenses

The recently enacted budget bill, House Bill 1, made changes to the fees, the distribution of revenue, and the structure of the cigarette licensing provisions. All these changes are effective on January 1, 2010.

The new fee on all retail cigarette licenses will be \$125 per location per year. There will no longer be a reduced fee for more than five licenses issued in the same county. Licenses will still be renewed every fourth Monday in May, and the fees will be prorated for any new licenses issued after that date. Revenues collected on these retail licenses will be distributed as follows: 30 percent to the municipal corporation or township, 10 percent to the general fund of the county, and 60 percent to the cigarette tax enforcement fund. Although the percentages to the municipal corporation or township and county general fund will decrease, the total funds will be more than in the past because of the increased fees associated with these licenses.

In addition to the report listing the retail licenses issued that has always been required by the end of each July, county auditors will be required to file monthly reports. These reports should reflect any new retail licenses issued after January 1, 2010. The portion of the fees that are to be paid into the cigarette tax enforcement fund should be remitted along with the monthly report. Also, beginning January 1, the fees that are to be paid into the cigarette tax enforcement fund should be remitted to the Ohio Department of Taxation rather than the Treasurer of State. The Department is currently designing the report and will send it to the counties by the end of the year.

The "Application for Retail Cigarette Dealer's License" (CIG 40) has been revised to reflect H.B. 1 changes. Most importantly, the retail and wholesale cigarette licenses are no longer assignable. A copy of the CIG 40, revised October 2009, is attached to this memo.

Wholesale cigarette licenses will no longer be issued by the county auditors; these licenses will be issued by the Department of Taxation. Based on historical figures, any revenue loss as a result of this change will be offset by the increased fees associated with the issuance of retail licenses. The new fee on a cigarette wholesale license will be \$1000.

Since the new fee structure is effective on January 1, 2010, any new applicants for a retail cigarette license will pay a prorated fee for the period January 1, 2010, through the fourth Monday in May 2010. Starting with the May 2010 renewal, everyone will be required to renew their license under the new fee structure. A proration chart is enclosed for the period January 1, 2010, to May 23, 2010. Please begin using this chart on January 1 and discard any old proration charts you may have in your possession.

Should you have any questions regarding these changes please contact us at the following:

Ohio Department of Taxation
Excise, Motor Fuel and Public Utilities Tax Division
Excise Tax Section
P.O. Box 530
Columbus, Ohio 43216-0530
(614) 466-7026



Application for Retail Cigarette Dealer's License

(Please mail two copies to the office of the County Auditor.)

For the period from _____ 20____ to _____ 20____

To the auditor of _____ County Date _____

Taxing district _____ Fee _____

Pursuant to R.C. 5743.15, the applicant herein has paid the required fee to the County Treasurer for each place of business specified below and hereby requests a license to sell cigarettes at retail at each of those places of business.

1. Name of dealer _____
(if sole owner, print individual's full name; if partnership, print full names of all partners; if corporation, print corporation's name and Ohio corporation charter number. If a foreign corporation, give certificate number issued by Secretary of State authorizing transaction of business in Ohio. R.C. 1703.01 et seq.)

2. Trade name (if other than above) _____

3. Sales tax vendor license number (required) _____

4. Federal employer identification number or, if none assigned for reporting federal taxes, please enter your social security number

FEIN

Social security number		

5. Check whether dealer operates as
 Sole owner Partnership Corporation Fiduciary Association

6. Place of business (The license fee must be paid for each business location listed.)

Street	City	State	ZIP	License no. (Filled in by County)	License fee (Filled in by County)

(Additional places to be listed on a separate sheet and attached hereto.)

7. Email address _____

8. Residence address of dealer or home office of corporation

_____ Street _____ City _____ State _____ ZIP _____

I declare under penalties of perjury that the above statements have been examined by me and to the best of my knowledge and belief is a true, correct, and complete report

Signature of dealer or officer of company _____ Telephone number _____

All questions on this application should be fully answered before the licenses requested hereon are issued. For further license information, see reverse side of this form.

License Information

A cigarette dealer's license does not authorize the licensee to engage in the business of trafficking in cigarettes at any place of business in this state other than that specified thereon by the County Auditor.

There is no discount for multiple locations.

In the event that a business is moved from one location to another, or the business is sold, or an individual or partnership incorporates his or their business, or a partnership or a corporation is dissolved, the cigarette license that has been issued to a dealer prior to the occurrence of any such event may not be used, and a new license must be obtained.

Important Notice: Ohio passed legislation that prohibits the sale of cigarettes in Ohio that have not been approved by the Attorney General's office. A list of brands legal for sale in Ohio can be found at www.ohioattorneygeneral.gov/Services/Business/Tobacco-Directory-Search. This list is periodically updated. Any brand not listed on the website is considered contraband and is subject to confiscation.