

# Iowa Department of Revenue

## Commonly Asked Questions Regarding Retail Cigarette/Tobacco Permits

**Q. I can find the application on line but not the permit.**

A. The permit is not on the Web site. You may request the Word file by sending an e-mail to dawn.johnson@iowa.gov.

**Q. Do I have to send a copy of the permit or application to the state?**

A. Yes. Mail or fax a copy of the completed application to the Iowa Department of Public Health, Division of Tobacco Use Prevention and Control, 321 E 12<sup>th</sup> Street, Des Moines, IA 50319-0075. **Fax # 515-281-6475.** If you have problems with the fax going through, please call Debbie at 515-281-6225. The Department of Revenue does not need a copy. The original permit should be given to the permittee and the duplicate stays with the issuing authority.

**Q. What requires a retailer to have a permit to sell cigarettes or tobacco products?**

A. A law change effective July 1, 2005, adding tobacco products to the retail cigarette/tobacco permit. Chapter 453 A of the Iowa Code requires that any person offering cigarettes or tobacco products for sale to the consumer hold a valid retail cigarette/tobacco permit. Only one permit is required for selling cigarettes only, tobacco products only or both cigarettes and tobacco products.

**Q. I have a completed Retail Cigarette/Tobacco Application; what do I do next?**

A. First, make sure that the application is completed in FULL with Business Location Name, Business Location Address (not a PO Box), Mailing Address, Type of Sales (vending machine or over the counter), Type of Establishment, Ownership Type (sole proprietor, partnership, corporation), Legal Owner Name, and Legal Owner Mailing Address. All of this information should be on the application, or a permit should not be given until all of the application is completed. Then have the application approved by the City Council or Board of Supervisors. Once approved, type a new Retail Cigarette/Tobacco Permit (form 70-001) from the information on the application.

**Q. Is the issuing authority required to fill in the bottom left corner of the application (For Office Use Only)?**

A. Yes. This allows anyone looking at the completed application to know when the permit was issued and the current permit number. You need to write in the date the permit is issued and the amount of money that the permit holder paid. You need to write the permit number, including letters (see following question), then check whether it is a new permit or a renewed permit.

**Q. What is the permit number or where do I find out what the permit number is?**

A. For a new permit, the Retail Cigarette/Tobacco Permit Number is the printed **red number** that is in the bottom left hand corner of the permit.

**Q. What is the City Number that I am supposed to use, and do I need to fill in that area?**

A. That area is for the city to track the number of permits issued each year, using whatever numbering system they establish. *For Word-generated permits, this city number area will be the permit number.* Each permit you issue should have a different number. Example: FY2006-001, FY2006-002, etc. or 2006-001, 2006-002, etc.

**Q. When do retail permits expire?**

A. All retail cigarette/tobacco permits expire on the next June 30<sup>th</sup> after issue. Permits cannot be issued for longer than 1 year. They will be issued for shorter periods of time if purchased after July 1. Examples:

1. A permit issued on May 29, 2006, will expire on June 30, 2006.
2. A permit issued on July 3, 2006, will expire on June 30, 2007.
3. A permit issued on January 15, 2007, will expire on June 30, 2007.

**Q. How much do I charge for a retail cigarette/tobacco permit?**

A. The price of a retail permit depends on 2 things: (1) The location of the business and, (2) the month issued.

Prices are as follows:

<u>Location</u>	<u>Jul-Sep</u>	<u>Oct-Dec</u>	<u>Jan-Mar</u>	<u>Apr-Jun</u>
Outside of city limits	\$50.00	\$37.50	\$25.00	\$12.50
City of less than 15,000	\$75.00	\$56.25	\$37.50	\$18.75
City of 15,000 or more	\$100.00	\$75.00	\$50.00	\$25.00

**Q. What do I do with the money from the Retail Cigarette/Tobacco Permits?**

A. It stays with the issuing authority.

**Q. A business with a permit is moving to a new location. Is there a charge for a new permit?**

A. A new permit is required when there is a change to a new location. If the business remains within the jurisdiction of the same entity which granted the original permit, the original permit is exchanged for a new permit, free of charge. However, if the business moves to another jurisdiction, there is a refund when the original permit is surrendered and there is a fee when the new permit is issued. The refund and fee are each paid without regard to the other.

**Q. Can we refund cigarette/tobacco permit fees?**

A. Yes. If the permit is returned to the issuing authority, a refund may be given. The amount of the refund depends on the date the permit is surrendered. The refund amounts are:

<u>If Surrendered In</u>		<u>Refund Is</u>	
Jul-Sep		$\frac{3}{4}$	of the amount fee
Oct-Dec		$\frac{1}{2}$	of the amount fee
Jan-Mar		$\frac{1}{4}$	of the amount fee
Apr-Jun			No refund given

See Chapter 453A.13(4) of the Iowa Code for additional information.

**Q. A change in ownership occurred at Joe's Lounge. The new owner needs a permit for three months. How should I sell them a permit?**

A. The permit should be sold to the new owner for the remainder of the fiscal year (with an expiration date of June 30). When a permit is surrendered, after it is no longer needed, a refund can be given (except for the last quarter).

**Q. What place of business is used for a mobile retailer's permit?**

A. A mobile vehicle from which cigarettes or tobacco products are sold is considered a place of business. The retailer must have a separate permit for each city and for each county's unincorporated area where cigarettes or tobacco products are sold from the vehicle. A permit must include identification of the vehicle and the permanent place of business from which the vehicle is dispatched.

**Q. Who can sell from a vending machine?**

A. Cigarettes or tobacco products shall not be sold through a vending machine unless the vending machine is located in a place where the retailer ensures that no person younger than eighteen years of age is present or permitted to enter at any time.

**Q. Joe's Lounge has a cigarette/tobacco vending machine. Do they need a retail permit and/or a vendor's permit?**

A. A retailer who holds a retail cigarette/tobacco permit is not required to get a vendor's permit if the retailer is, in fact, the owner of the vending machine(s) operated in the location described on the retail permit. However, if someone else owns the vending machine, the machine owner is required to have a State-issued vendor's permit and the business owner needs a retail cigarette/tobacco permit.

**Q. Do I need a retail cigarette/tobacco permit to sell tobacco products other than cigarettes?**

A. Yes. You must have a retail cigarette/tobacco permit. A tobacco tax of 22% is imposed on all tobacco products, other than cigarettes and little cigars, sold in this state. You may also need a distributor's permit from the state if you are purchasing from someone who is not an Iowa Tobacco Distributor. If you buy tobacco products from someone outside the state, please call Dawn at the number listed below.

**Q. How old must my employees be to sell cigarettes or tobacco products?**

A. Iowa Code, Chapter 453A.2 allows anyone under the age of 18 to sell cigarettes or tobacco products if they are legally employed by a holder of a valid retail cigarette/tobacco permit under the cigarette and tobacco products chapter or by a person who lawfully offers for sale or sells cigarettes or tobacco products.

**Q. What do I do if a person does not renew their retail cigarette/tobacco permit and they are still selling cigarettes or tobacco products?**

A. All cigarette/tobacco permits expire on June 30. Anyone selling cigarettes or tobacco products after that date without renewing their permit is in violation of the Iowa Code Chapter 453A.36. There is a penalty that can be assessed. (Iowa Code CH 453A.31). Please call Dawn Johnson at (515) 281-8023.

**Q. Who can I contact for help and answers to general questions on cigarette/tobacco permits?**

A. You can contact Dawn Johnson at dawn.johnson@iowa.gov or telephone (515) 281-8023.

**Q. Who can I contact for help and answers to questions on tobacco enforcement against retailers and sales to minors on cigarette or tobacco products questions?**

A. You can contact Brian Meyer at bmeyer@ag.state.ia.us or telephone (515) 281-6898.

**Q. Where can I obtain a copy of the Retail Cigarette/Tobacco Permit Application?**

A. From the department's Web site at www.state.ia.us/tax (click on the cigarette/tobacco link) or TaxFax system at 1-800-572-3943 (enter number 70014).