

Instructions for Application for Cigarette and Tobacco Products Permits

INTRODUCTION

This document provides information regarding the following cigarette and tobacco products permits or registrations issued by the department:

- Cigarette Manufacturer
- Cigarette First Importer
- Cigarette Distributor
- Cigarette Jobber
- Cigarette Warehouse
- Cigarette Vending Machine Operator
- Cigarette Multiple Retailer
- Cigarette Direct Marketer
- Cigarette Salesperson
- Tobacco Products Manufacturer
- Tobacco Products First Importer
- Tobacco Products Distributor
- Tobacco Products Subjobber

Read the definitions under Section III to determine the permits you need. **Permits are not transferable to another person or place.** Notify us immediately when your business has any change to its name, address, or Federal Employer Identification Number (FEIN) or when you cease operating in Wisconsin.

The sale of cigarettes and tobacco products to consumers in Wisconsin requires the seller to hold a valid Wisconsin retail license. The city, village, or town clerk, not the Department of Revenue, issues retail licenses.

ASSISTANCE AND FORMS

Information, forms, and assistance are available at our Madison office:

2135 Rimrock Road
Madison WI 53713
Phone: (608) 261-6435
FAX (608) 261-7049

or write to:

Mail Stop 5-107
PO Box 8900
Madison WI 53708-8900
E-mail: excise@revenue.wi.gov

Reporting forms will be sent to you when your permit is issued.

INTERNET ADDRESS

You can access the department's website 24 hours a day, seven days a week, at www.revenue.wi.gov. From this website, you can:

- Complete electronic fill-in forms
- Download forms, schedules, instructions, and publications
- View answers to frequently asked questions
- E-mail us for assistance

I. WHO NEEDS A CIGARETTE OR TOBACCO PRODUCTS PERMIT?

You must obtain a Wisconsin cigarette and/or tobacco products permit if you will:

1. Manufacture cigarettes or tobacco products in Wisconsin.
2. Manufacture cigarettes and/or tobacco products outside Wisconsin for sale and distribution in Wisconsin.
3. Sell cigarettes and/or tobacco products in Wisconsin as a distributor, jobber, vending machine operator, or multiple retailer.
4. Operate a warehouse in Wisconsin for the storage of cigarettes for another person.
5. Solicit orders for, or engage in the sale of, cigarettes and/or tobacco products in Wisconsin.
6. Sell cigarettes by direct marketing to consumers in Wisconsin.

If you will be doing business at more than one location, you must obtain a separate permit for each location.

Exception: The cigarette multiple retailer permit is issued only to the headquarters' location and covers all qualified retail locations in Wisconsin.

II. HOW TO OBTAIN A CIGARETTE AND/OR TOBACCO PRODUCTS PERMIT

Before mailing your application, check the list below to make sure you are sending all the required information:

1. Fully completed application, Form CTP-129.

2. Salesperson's permit application, Form CTP-134, and \$20 Business Tax Registration fee for each salesperson who solicits orders in Wisconsin.
3. Cigarette distributors - Letter of Direct Buy for each cigarette manufacturer from which you will purchase.
4. Security guaranteeing payment for the cigarette and tobacco products tax.
5. Cigarette vendor applicants - Form CTP-124.
6. Cigarette multiple retailer applicants - Form CTP-125.

III. DEFINITIONS

Cigarette Manufacturer – Any person who manufactures cigarettes for sale or the first importer of record of cigarettes into the United States.

Cigarette Distributor – Any person who (1) acquires unstamped cigarettes from the manufacturer, affixes cigarette tax stamps to those cigarette packs or containers, stores the stamped cigarettes, and sells them to other permittees or to retailers for resale, or (2) acquires Wisconsin stamped cigarettes from another permittee for such sales.

Cigarette Jobber – Any person who acquires Wisconsin stamped cigarettes from cigarette distributors, stores them, and sells them to retailers for resale.

Cigarette Warehouse – The premises where a person is lawfully engaged in the business of storing cigarettes for profit, but not including premises where common carriers may temporarily store cigarettes in their possession while in transit in interstate commerce.

Cigarette Vending Machine Operator – A person who acquires Wisconsin stamped cigarettes from cigarette distributors or jobbers, stores them, and sells them through vending machines which he or she owns, operates, or services, and which are located on premises owned or under the control of other persons.

Cigarette Multiple Retailer – A person who acquires Wisconsin stamped cigarettes from cigarette distributors or jobbers, stores them, and sells them to consumers through 10 or more retail outlets which he or she owns and operates within and outside Wisconsin.

Cigarette Direct Marketer – A person who sells cigarettes by direct marketing to consumers in Wisconsin for the consumers own personal use.

Cigarette Salesperson – A person in Wisconsin who solicits orders for or engages in the sale of cigarettes for future delivery. “Peddling” is illegal in Wisconsin.

Tobacco Product Manufacturer – Any person who manufactures tobacco products for sale.

Tobacco Products Distributor – Any person:

1. Engaged in the business of selling tobacco products in Wisconsin who brings, or causes to be brought, into this state from outside Wisconsin any tobacco products for sale.
2. Who makes, manufactures, or fabricates tobacco products in Wisconsin for sale in Wisconsin.
3. Engaged in the business of selling tobacco products outside Wisconsin who ships or transports tobacco products to retailers in Wisconsin for sale by the retailers.

Tobacco Products Subjobber – Any person in Wisconsin who buys tobacco products only from distributors in Wisconsin with the tobacco products tax included and sells them to retailers or other permittees. If purchasing tobacco products from out-of-state, a distributor permit is required.

Tobacco Products Salesperson – A person in Wisconsin who solicits orders for or engages in the sale of tobacco products for future delivery. “Peddling” is illegal in Wisconsin.

IV. SECURITY

The department may require applicants who qualify for a distributor’s permit to have security on file before issuing their permit. Security may be in the form of a bond, certificates of deposit, or cash. A permit will not be issued until the security is received, if required.

Cigarette Distributor – New applicants are requested to post a minimum of \$10,000 plus an amount equal to three times their estimated monthly tax stamp purchases. Upon receipt of the security, the department will sell stamps on credit up to one third of that amount.

Tobacco Products Distributors – New applicants must post \$3,000 security for tobacco products tax.

Caution: Distributors who do not timely file the monthly returns and/or timely pay tax due may be required to file security in an amount determined by the department.

V. LETTERS OF DIRECT BUY

Prior to affixing Wisconsin tax stamps to cigarette packages, distributors must submit to the department for approval a Letter of Direct Buy (LDB) from each manufacturer whose cigarettes they will sell/ship into Wisconsin. No cigarettes may be sold/shipped into Wisconsin without department approval. The LDB must include the following information:

1. Statement from the manufacturer or first importer into the United States of the cigarettes that the distributor is authorized for direct buy and to sell their cigarettes within Wisconsin.
2. Point of origin of the cigarettes.
3. List of brands that can be sold.
4. The manufacturer’s cigarette manufacturer and/or importer permit number issued by the federal government.
5. If first importer of record, the name and address of the manufacturer of the cigarettes.
6. Manufacturer’s price list.
7. Statement indicating whether or not the manufacturer is a participating member of the Master Settlement Agreement (MSA).

VI. THE CIGARETTE TAX

Cigarettes are rolls of tobacco wrapped in paper or any substance other than tobacco per sec. 139.30(1m), Wis. Stats.

The cigarette tax is paid by cigarette distributors who are required to purchase tax stamps from the department, which are applied to each pack of cigarettes. Stamps are generally purchased on credit and payment is submitted by distributors along with their monthly cigarette tax returns on or before the 15th day after the month in which the stamps are received. Distributors calculate the amount due by adding the net tax (gross tax less stamping discount) to the printing and shipping costs.

Lost or Stolen Stamps – Distributors are liable for the tax and shipping and printing costs on all lost or stolen stamps. All stamp orders are shipped FOB origin from the Wisconsin Department of Revenue to distributors at their permitted business location. The department ships stamps based on the delivery method indicated by the distributor.

VII. THE TOBACCO PRODUCTS TAX

Tobacco products include cigars, cheroots, plug snuff, chewing tobacco, clippings, and other forms of tobacco prepared in a manner suitable for chewing or smoking in a pipe or otherwise. Tobacco products do not include cigarettes.

The tobacco products tax rate is 71% of the manufacturer’s established list price prior to any reductions for volume or other discounts on all tobacco products except moist snuff and cigars. The tax on tobacco products imported from another country is 71% of the amount obtained by adding the manufacturer’s list price to the federal tax, duties, and transportation costs to the United States on all tobacco products, except moist snuff and cigars. The moist snuff tax rate is 100% of the manufacturer’s established list price prior to any reductions for volume or other discounts.

The tobacco products tax on cigars is the lesser of:

1. 71% of the manufacturer’s established list price to distributors (prior to any reduction for volume or other discount); OR
2. \$0.50 per single cigar.

The tobacco products tax is not imposed on nontobacco items (for example, papers, pipes, or lighters) or cigarettes.

The tax is paid by Wisconsin distributors on all tobacco products received from out-of-state. The tax is paid by out-of-state distributors on tobacco products sold to retailers/non-licensed distributors in Wisconsin. Both in-state and out-of-state distributors file a monthly tax return due on or before the 15th day after the month in which the transactions occur.

VIII. PAYING TAXES ELECTRONICALLY

Cigarette and tobacco products taxes must be paid to the department by electronic funds transfer (EFT) if a distributor’s annual cigarette or tobacco products tax payment is over \$40,000. For information on EFT, go to wi.gov/eserv/eftgen.html.

DEPARTMENT USE ONLY

Permit Number
Period Covered
Date of Issuance

APPLICATION FOR CIGARETTE AND TOBACCO PRODUCTS PERMITS/REGISTRATION

Wisconsin Department of Revenue
Mail Stop 5-107
PO Box 8900
Madison WI 53708-8900
(608) 261-6435
Fax (608) 261-7049

Legal Name <i>(corporation, limited liability company, partnership, or individual)</i>	Federal Employer ID No.	Social Security No. <i>(required if sole proprietorship or individual)</i>	
Business Name (DBA) <i>(if different from Legal Name)</i>	Telephone No.	Business Telephone No.	
Business Address <i>(Do not use PO Box)</i>	City or Post Office	State	Zip Code
Mailing Address <i>(if different from business address)</i>	City or Post Office	State	Zip Code
Business Located In: <i>(check one and indicate county)</i>		In the Wisconsin county of: _____	
<input type="checkbox"/> City <input type="checkbox"/> Village of: _____ <input type="checkbox"/> Town			

1. Type of Permit – Check the permits for which you are applying and enclose one \$20 Business Tax Registration fee *(if applicable)* regardless of the number of permits you have checked.

- | | |
|--|--|
| <input type="checkbox"/> Cigarette Manufacturer (Enclose copy of federal permit.)
<input type="checkbox"/> Cigarette First Importer Record (Enclose copy of federal permit.)
<input type="checkbox"/> Cigarette Distributor*
<input type="checkbox"/> Cigarette Jobber*
*Will more than 50% of your cigarette sales be at wholesale to retailers, vending machine operators, or multiple retailers not owned, controlled, or operated by you? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Cigarette Warehouse (WI only)
<input type="checkbox"/> Cigarette Vending Machine Operator <i>(complete Form CTP-124)</i> | <input type="checkbox"/> Cigarette Multiple Retailer <i>(complete Form CTP-125)</i>
<input type="checkbox"/> Direct Marketer <i>(check one)</i>
<input type="checkbox"/> Bonded <input type="checkbox"/> Nonbonded
<input type="checkbox"/> Tobacco Products Manufacturer (Enclose copy of federal permit.)
<input type="checkbox"/> Tobacco Products First Importer of Record (Enclose copy of federal permit.)
<input type="checkbox"/> Tobacco Products Distributor
<input type="checkbox"/> Tobacco Products Subjobber (WI only) |
|--|--|

2. Organization *(check one)*

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor
<input type="checkbox"/> Partnership
<input type="checkbox"/> Wisconsin Corporation (Date incorporated: _____)
<input type="checkbox"/> Out-of-State Corporation (Licensed in WI? <input type="checkbox"/> Yes <input type="checkbox"/> No)
<input type="checkbox"/> Other <i>(describe)</i> _____ | <input type="checkbox"/> Governmental Unit <i>(check appropriate box below)</i>
<input type="checkbox"/> Federal <input type="checkbox"/> County <input type="checkbox"/> Tribal
<input type="checkbox"/> Wisconsin State <input type="checkbox"/> Local
<input type="checkbox"/> Limited Liability Company - Enter date registered with the Department of Financial Institutions: _____
For federal income tax purposes, will the LLC be taxed as a:
<input type="checkbox"/> Partnership <input type="checkbox"/> Corporation
<input type="checkbox"/> Single member LLC disregarded as a separate entity |
|---|---|

3. Have you as a sole proprietor, partner(s), limited liability company member(s), or corporate officer(s):

- a) Held, or now hold, a permit or certificate issued by the Wisconsin Department of Revenue? Yes No
 If Yes, indicate: Type of permit or certificate _____ Permit or certificate number _____
 Location for which it was issued _____
(street address, city, state, zip code)
- b) Been convicted of violating federal or state laws or local ordinances other than traffic violations? Yes No
 If Yes, check type: Federal State Local Ordinances
 Indicate details of the violation, including nature of violation, date, place, court, and disposition. _____
- c) If you have been convicted of a felony, describe the nature of the felony; if pardoned, give the date and place of the pardon and attach a copy to the application. _____
- d) Are charges for any offense presently pending against you (other than traffic unrelated to alcohol beverages)? Yes No
 If Yes, check type Federal State Local Ordinances
 Describe the status of the pending charges _____

Cigarette Applicants ONLY

Attach sheet referencing question number if additional space is needed to answer the questions below.

4. Date you will begin selling/receiving cigarettes: _____ / _____ / _____
month day year
5. Where will you warehouse the cigarettes? Permit Location Other _____
street address, city, state, zip code

6. Will you purchase **only** Wisconsin stamped cigarettes? YES NO If NO, complete questions a, b, c, and d below.

- a. Will you purchase other states' stamped cigarettes? YES NO
 If YES, will you warehouse other states' stamped product at Wisconsin permit location? YES NO
 If NO, explain: _____

b. Will you purchase unstamped (no stamp affixed) cigarettes directly from a manufacturer (including first importer of the cigarettes into the U.S.) for sale into Wisconsin? YES NO

If YES, list the manufacturers/importers and attach their Letter of Direct Buy (see Section III, Cigarette Distributor).

Manufacturer/Importer Name	Street Address	City	State	Zip Code

c. Will you purchase cigarettes with no stamp affixed from a source other than a manufacturer for sale into Wisconsin?
 YES NO → If YES, list suppliers and attach their letter of authorization for sale and distribution into Wisconsin.

Name	Street Address	City	State	Zip Code	Brand Names	List Price

d. If YES to b or c above, do you own and/or lease stamping equipment from Meyercord? YES NO or Red Stamp? YES NO

If YES, list the machine numbers: Meyercord: _____ Redstamp: _____

If NO, explain how the stamps will be affixed: _____

7. List your cigarette suppliers below.

WI Permit No.	Supplier Name	Street Address	City	State	Zip Code

8. Do you now hold, or have you held within the last three years, a cigarette stamping permit with any other state(s)? YES NO

If YES, list the state and permit/license number and check current status.

State (abbr.)	Permit/License No.	Status	State (abbr.)	Permit/License No.	Status
		<input type="checkbox"/> Active <input type="checkbox"/> Inactive			<input type="checkbox"/> Active <input type="checkbox"/> Inactive
		<input type="checkbox"/> Active <input type="checkbox"/> Inactive			<input type="checkbox"/> Active <input type="checkbox"/> Inactive

Tobacco Products Applicants ONLY

9. Date you will begin selling/receiving tobacco products: _____ / _____ / _____
month day year

10. Where will you warehouse the tobacco products? Permit Location Other _____
street address, city, state, zip code

11. Will you purchase tobacco products from: Inside Wisconsin Outside Wisconsin Outside United States

12. List names and addresses of your tobacco products suppliers.

Name	Street Address	City	State	Zip Code
a. _____				
b. _____				

Cigarette and Tobacco Products Distributors

13. Distributor email address to meet MSA requirement: _____

Declaration (ALL applicants complete this section)

I declare under penalties of law that I have examined this information and, to the best of my knowledge, it is true, correct, and complete.

Signature	Title	Date
Signature	Title	Date

NOTE: If applicant is a **corporation**, the president and secretary must sign. If a **partnership**, two partners must sign. If a **limited liability company**, two members must sign unless the limited liability company only has one member.

AUXILIARY QUESTIONNAIRE

**** This page may be reproduced if additional entries are required ****

To be completed by each individual, partner, or member and each officer, director, agent, and holder of 5% or more stock of a corporation.

1. Name of Individual, Partner, Member, Officer, etc.			2. Social Security Number	3. Date of Birth
4. Home Address and Phone Number			5. Legal Name	
6. City	State	Zip Code	7. Position With Applicant	8. Percent of Stock Held

- Yes No 9. Are you a resident of Wisconsin?
If No, and you are a sole proprietor, partner, member, or foreign or domestic corporation, you must complete the "Appointment of Department of Financial Institution's (DFI) Service of Process" by Nonresident or Foreign Corporation.
- Yes No 10. Have you been found guilty of crimes relating to loaning money or anything of value to persons holding licenses or permits issued pursuant to ch. 125, Wis. Stats.?
- Yes No 11. Have you been convicted of violating federal or state laws or local ordinances other than traffic violations?
If Yes, check type violated: Federal State Local ordinances
Also provide details of violation (nature of violation, date, place, court, and disposition) _____
12. If you have been convicted of a felony, describe the nature of the felony. If pardoned, give date, and place of pardon and attach a copy to the application. _____

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Your Signature ►	Date
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Wisconsin Department of Revenue

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