

Cigar Exempt/Nontaxable Sales – Schedules 2 & 3

Attach this schedule to Form TT-105.

Legal Name	Federal Employer ID No.	Permit Number	Month/Year (MM YYYY)
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Calculate the tax on each cigar per invoice both by list price (Column C) and per cigar (Column D) to determine the tax amount (Column E). The tobacco tax on cigars is the lesser of:

1. 50% of the manufacturer's established list price to distributors (prior to any reduction for volume or discount); OR
2. \$0.50 per single cigar.

Enter the lesser of Column C or Column D on all cigars in Column E.

You will need to do this for each line item, so you may have several lines with the same invoice number.

SCHEDULE 2 – Cigars Sales to Tax-Exempt Organizations

Enter all sales to tax-exempt organizations (e.g., military post exchanges or state or federally operated veteran's hospitals).

CAUTION: Sales to Native American Indian Tribes/Retailers in Wisconsin are not exempt.

Line No.	Invoice		Sold To		Column A Number of Single Cigars	Column B Manufacturer's List Price on Cigars	Column C Tax Based on List Price (Column B x 50%)	Column D Tax Based on Single Cigar Cap (Column A x \$0.50)	Column E TAX AMOUNT (Enter lesser of Column C or D)
	Number	Date	Name	City					
1	Balance from prior page of Form TT-106C								
2									
3									
4	Total Tax-Exempt Cigar Sales – Add lines 1 through 3. Do not enter on cover Form TT-105								

SCHEDULE 3 – Cigar Nontaxable Sales

Enter all nontaxable sales of tobacco products sent to any person or business in Wisconsin who holds a Wisconsin tobacco products distributor permit (TPD). Include all samples, "free" products and promotional products.

Line No.	Invoice		Sold To		Column A Number of Single Cigars	Column B Manufacturer's List Price on Cigars	Column C Tax Based on List Price (Column B x 50%)	Column D Tax Based on Single Cigar Cap (Column A x \$0.50)	Column E TAX AMOUNT (Enter lesser of Column C or D)
	Number	Date	Name	Permit No.					
1	Balance from prior page of Form TT-106C								
2				TPD – _____					
3				TPD – _____					
4				TPD – _____					
5				TPD – _____					
6				TPD – _____					
7				TPD – _____					
8				TPD – _____					
9	Total Cigar Nontaxable Sales – Add lines 1 and 8. Do not enter on cover Form TT-105								

INSTRUCTIONS

WHO MUST FILE THIS RETURN

All out-of-state Wisconsin tobacco products distributors must complete this schedule and attach it to their monthly tobacco products tax return (Form TT-105) when sales of cigars have been sold to tax-exempt organizations or licensed Wisconsin distributors holding a Tobacco Products Distributor (TPD) permit with the Department of Revenue.

DUE DATE

Your return is due 15 days after the close of the month. To be timely filed, a return must be postmarked by a United States Post Office on or before its due date and received by the department within 5 days of the due date.

RECORD KEEPING

You must keep for at least four years a complete copy of your return, including this schedule, and all records used in preparing the return. The records must be kept at the permit location and in a place and manner easily accessible for review by department representatives.

ASSISTANCE AND FORMS

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

2135 Rimrock Road
Madison WI 53713

(608) 266-8970

or write to: Mail Stop 5-107
PO Box 8900
Madison WI 53708-8900

FAX (608) 261-7049

E-Mail: excise@revenue.wi.gov

When ordering forms, include your Wisconsin permit number and the department's form number that appears in the lower left corner on each form (e.g., Form TT-106C). Forms are also available on the website below.

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 comments or request help

NAME/ADDRESS/OWNERSHIP CHANGES

Immediately notify the department in writing when your business undergoes any change to its name, address or ownership.

Permits are not transferable and must be returned to the department for cancellation. Attach your permit to your final return.

COMPUTER PRINTOUTS

The department will accept computer printouts of cigar transactions in lieu of listing individual sales on this schedule. If you submit computer listings, you must:

1. Use this form as a summary sheet for the accompanying printouts. Complete the top portion of this schedule. Indicate "see attached" on line 2 of the respective schedule and then enter the total.
2. Prepare your computer printouts using the same format and columnar sequence as on this form. Label each printout to correspond with each schedule (e.g., Schedule 2 – Sales To Exempt Organizations). If your computer cannot duplicate our format, you should submit a proposed format for our review and approval.
3. Use paper measuring 8½ x 11 inches.

HOW TO COMPLETE THIS FORM

List each invoice separately and provide all the information requested. When listing sales, remember to use the manufacturer's established list price to distributors.

SCHEDULE 2 – SALES TO TAX-EXEMPT ORGANIZATIONS

Enter on this schedule only sales to tax-exempt organizations in Wisconsin such as military post exchanges or state or federally operated veterans' hospitals. These sales are not subject to the Wisconsin cigar tobacco products tax. Caution: Sales to Native American Indian Tribes/Retailers in Wisconsin are not exempt.

SCHEDULE 3 – NONTAXABLE SALES

Enter on this schedule only nontaxable sales of cigars. Include samples, "free" and promotional product sent to and sales to any person or business in Wisconsin who has a Wisconsin TPD permit. Do not confuse this permit with a retail license for tobacco products.

ADDITIONAL INFORMATION

1. An invoice must accompany the product at the time of delivery.
2. When tobacco products are returned to you by Wisconsin customers, issue a credit invoice and enter the transaction as a negative amount in parentheses () on the appropriate schedule.
3. It is not necessary to enter sales of tobacco products when you cancel the invoice in its entirety before the order is shipped. However, you should retain the invoice and offsetting credit memo in your files.
4. When the tobacco products shipped is less than the amount shown on the invoice, issue a credit invoice for the difference and report it as a negative sale (immediately below the original invoice if possible) and labeled "short."
5. When tobacco products that you reported as short during a prior month are shipped in a subsequent month, issue a new invoice (reference the original invoice) and enter the amount you shipped on the appropriate schedule.