

Instructions for Form CG-11 Cigarette Tax Floor Tax Return

Effective March 1, 2000, the New York State excise tax on cigarettes increased by 55¢ per pack of 20 cigarettes (i.e., from 56¢ to \$1.11 for state-only stamped cigarettes and from 64¢ to \$1.19 for New York State and New York City joint-stamped cigarettes).

These amounts are based on the tax rate increase from 28¢ to 55½¢ for each 10 cigarettes or fraction thereof; if a package contains more than 20 cigarettes, the rate of tax on the cigarettes in excess of 20 increased from 14¢ to 27¾¢ for each five cigarettes or fraction thereof.

A floor tax is imposed on all cigarettes stamped at the pre-March 1, 2000, rate and unaffixed tax stamps on hand at the close of business February 29, 2000.

Taxpayer information

A peel-off label has been provided for those taxpayers that the department has identified as potential floor tax filers. Place the label on the name and address box near the top of Form CG-11. Make any necessary changes directly on the label.

If you do not have a peel-off label, clearly print or type the business name as it appears on your cigarette license and your complete street address, including city or village or post office, state, and ZIP code.

Enter your sales tax identification number. Enter your agent's license number and wholesale dealer license number, if applicable.

Check *Yes* or *No* to indicate if you qualify and are electing to pay in two installments. See *Installment payments* below.

Check *Yes* or *No* to indicate all of your business activities.

Installment payments

If your cigarette floor tax liability is \$200 or less, you must make payment in full by May 22, 2000.

If your cigarette floor tax liability is more than \$200, you may choose to pay the floor tax in two installments. The first installment must be paid with the floor tax return due on or before May 22, 2000, and must be at least 25% of the floor tax due, but not less than the minimum payment of \$200. Any unpaid balance is due in a second and final installment no later than September 20, 2000. A notice of balance due will be sent to those taxpayers required to remit a second and final installment of their cigarette floor tax liability.

To be eligible for the installment option, you must 1) make an election on Form CG-11 (2/00); 2) file this return on time; 3) pay at least the required minimum amount by May 22, 2000; and 4) pay the remaining balance due no later than September 20, 2000.

Who is subject to floor tax

Every cigarette tax agent, wholesale dealer (including vending machine operators), and retail dealer with an inventory of cigarettes (and, in the case of an agent, unaffixed tax stamps) is subject to the floor tax and must take a physical inventory of cigarettes (and unaffixed tax stamps) on hand at the close of business February 29, 2000. If there are cigarette vending machines on your premises that are owned and operated by a licensed cigarette wholesaler, the wholesaler will be responsible for filing a floor tax return and paying the tax due on cigarettes in the vending machines.

Filing requirements

Any agent required to file a floor tax return must 1) take an inventory of unstamped cigarette packs; 2) take an inventory of unaffixed state and joint state/city tax stamps purchased at the pre-March 1, 2000, rate on hand; and 3) pay a floor tax of 55¢ for each unaffixed 56¢ state-only tax stamp and for each 64¢ joint stamp; 27½¢ for each unaffixed state tax stamp and for each joint stamp that relates to 10 packs; and 68¾¢ for each unaffixed state and for each joint tax stamp that relates to 25 packs.

Every agent, wholesale dealer (including vending machine operators), and retail dealer must pay a floor tax of 55¢ for each state-stamped pack and for each pack of joint stamped cigarettes stamped at the old rate figured on a pack of 20 cigarettes (two

packs of 10 cigarettes counts as one pack of 20, and one pack of 25 cigarettes is counted as 1.25 packs of 20 cigarettes).

Definition of cigarette

Cigarette means any roll for smoking made wholly or in part of tobacco or of any other substance, regardless of size, shape, or whether such tobacco or substance is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco. It does not include other tobacco products.

The floor tax return must be filed no later than May 22, 2000.

Failure to file a return or pay the total amount required to be paid by May 22, 2000, will result in civil penalties and interest under Article 20 of the New York State Tax Law and may result in criminal penalties under Article 37 of the Tax Law.

Penalty is imposed on a **cigarette tax agent** at the rate of 10% of the tax due for the first month or any fraction of a month, plus 1% of the tax due for each subsequent month or fraction of a month in which a return remains unfiled or the tax remains unpaid, up to a maximum of 30%.

Penalty is imposed on **any retail or wholesale dealer** for failure to pay timely at the rate of 50% of the tax due for the first month or any fraction of a month, plus 1% of the tax due for each subsequent month or fraction of a month in which the tax remains unpaid.

If any return is not filed within 60 days of the due date, the minimum penalty may not be less than the lesser of the tax due or \$100. This minimum penalty may not be less than the penalty computed pursuant to the applicable paragraph above.

If you elect to pay your tax in installments and fail to pay the correct installment by May 22, 2000, the entire amount of tax will be due immediately, and interest and penalty will accrue on the entire amount that remains unpaid. If you paid the correct amount of the first installment timely, but did not pay the second and final installment by September 20, 2000, interest and penalty will accrue on the amount that remains unpaid.

Interest is computed at the rate set by the Commissioner of Taxation and Finance and is compounded daily. It is computed from the day the tax was due until the day the tax is paid. If you need help figuring interest, call one of the information numbers listed on the back of this form.

Vendors with multiple locations

Any person selling cigarettes from more than one location must file one consolidated floor tax return. Take an inventory of stock on hand at each location. Keep the original inventory report at each location. Enter the business name, address, sales tax and cigarette tax identification number(s) (if different from that on the front of the return), and inventory of each location on Schedule A of the consolidated return.

Vending machine operators

Because of various dates for service calls to vending machine locations (e.g., weekly, biweekly, or monthly), it may be impossible to take a physical inventory of stamped packages of cigarettes in each vending machine on location. We request that each vending machine operator take as many physical inventories as possible with the personnel available. As in the past, we will allow vending machine operators to report a floor tax on one-half of the "normal fill capacity" for all of those machines that were not physically inventoried on February 29, 2000. Normal fill capacity is the inventory as indicated on the individual inventory card maintained for each vending machine on location. For example, if the normal fill capacity of a machine is 600 packages, we will permit the vending machine operator to report a tax based on one-half of 600, or 300 packages at 55¢ for a floor tax of \$165.00 for each of these machines. A smaller machine with normal fill capacity of 300 packages will report only one-half of 300, or 150 packages, at 55¢ for a floor tax of \$82.50 for each of these machines on Schedule B.

The alternative method outlined above only applies to vending machines on location.

Need help?



Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

For business tax information, call the
New York State Business Tax

Information Center: 1 800 972-1233

For general information: 1 800 225-5829

To order forms and publications: 1 800 462-8100

From areas outside the U.S. and
outside Canada: (518) 485-6800



Fax-on-demand forms: Forms are
available 24 hours a day, 1 800 748-3676
7 days a week.



Internet access: <http://www.tax.state.ny.us>



Hotline for the hearing and speech impaired:
1 800 634-2110 from 8:30 a.m. to 4:25 p.m. (eastern time),
Monday through Friday. If you do not own a
telecommunications device for the deaf (TDD), check with
independent living centers or community action programs
to find out where machines are available for public use.



Persons with disabilities: In compliance with the
Americans with Disabilities Act, we will ensure that our
lobbies, offices, meeting rooms, and other facilities are
accessible to persons with disabilities. If you have
questions about special accommodations for persons with
disabilities, please call 1 800 225-5829.



If you need to write, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER ASSISTANCE BUREAU
TAXPAYER CORRESPONDENCE
W A HARRIMAN CAMPUS
ALBANY NY 12227

Change of business information If there have been any changes in your business name, ID number, mailing address, business address, telephone number, or owner/officer information, complete Form DTF-95, *Change of Business Information*. If you need a form, call toll free 1 800 462-8100. From areas outside the U.S. and outside Canada, call (518) 485-6800.

Privacy notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions, and forms, is found in Articles 8 and 20 of the Tax Law; and 42 USC 405(c)(2)(C)(i).

The Tax Department uses this information primarily to determine and administer the tax on cigarettes and tobacco products under the Tax Law, and for any other purpose authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8 Room 924, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return. However, if, at a later date, you need to establish the date you filed your return, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. If you have used a designated private delivery service and need to establish the date of delivery, contact that private delivery service for instructions on how to obtain written proof of the date of delivery.

The current designated private delivery services are:

1. Airborne Express (Airborne):
Overnight Air Express Service
Next Afternoon Service
Second Day Service
2. DHL Worldwide Express (DHL):
DHL Same Day Service
DHL USA Overnight
3. Federal Express (FedEx):
FedEx Priority Overnight
FedEx Standard Overnight
FedEx 2 Day
4. United Parcel Service (UPS):
UPS Next Day Air
UPS Next Day Air Saver
UPS 2nd Day Air
UPS 2nd Day Air A.M.