



AUGUST 2011

# TAX TOPICS

Texas Comptroller of  
Public Accounts

## Cigarette, Cigar, and/or Tobacco Products Manufacturers' Responsibilities

### Manufacturer's Permit

#### Who is Required to Have a Permit

- Each business location in Texas where cigarettes, cigars or tobacco products will be manufactured.
- If you are a cigarette and/or tobacco products manufacturer located outside of Texas, and you are engaged in business in Texas, you are also required to obtain a manufacturer's permit from the Comptroller's office, even if you do not actually manufacture cigarettes or tobacco products in Texas.

If you plan to manufacture cigarettes and/or tobacco products in Texas, you must first obtain a manufacturer's permit from the Comptroller's office by completing a Texas Application for Non-Retailer Cigarette, Cigar and/or Tobacco Products Permit (Form AP-175). The fee for each permit is \$300.

#### Who is Not Required to Have a Permit

If you are a manufacturer located outside of Texas, and you are not engaged in business in Texas, you are not required to obtain a permit. **Note:** If you ship, or are planning to ship, cigarettes and/or tobacco products into Texas by common carrier, you should register your business with the Comptroller's office by calling **1-800-862-2260** or **512-463-3731**. There is no fee for registration.

### Recordkeeping Requirements for Permit Holders

Cigarette and tobacco products manufacturers that are subject to Texas permit or registration requirements must keep certain business records for a minimum of four years.

#### A cigarette manufacturer must keep records showing:

1. the number and kind of cigarettes in unstamped packages sold;
2. the number and kind of cigarettes in stamped packages sold, if any;
3. the date the cigarettes were sold;
4. the manufacturer's list price for the cigarettes;
5. the account number and the location where the cigarettes were shipped, if any; and
6. the name of the common carrier.

#### A tobacco products manufacturer must keep records showing:

1. the number and kind of tobacco products sold;
2. the date the tobacco products were sold;
3. the name and permit number of the permit holder;
4. the manufacturer's list price for the tobacco products;
5. the place where the tobacco products were shipped;
6. the name of the common carrier; and
7. the manufacturer's listed net weight for each unit other than cigars.

FOR MORE INFORMATION,  
VISIT OUR WEBSITE AT  
[Comptroller.Texas.Gov](http://Comptroller.Texas.Gov).

TO RECEIVE TAX HELP, SEE  
[comptroller.texas.gov/  
taxhelp](http://comptroller.texas.gov/taxhelp)

OR CALL  
**1-800-862-2260.**

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.



## CIGARETTE, CIGAR, AND/OR TOBACCO PRODUCTS MANUFACTURERS' RESPONSIBILITIES

### Reporting Requirements for Permit Holders

**A** manufacturer, regardless of location, who sells cigarettes and/or tobacco products to a person holding a valid Texas permit must file a report with the Comptroller's office on or before the last day of each month showing the sales information for the previous month.

A cigarette manufacturer's report must include items 1, 2, 3, and 5, as listed for cigarette manufacturers in the preceding "Recordkeeping Requirements" section.

A tobacco manufacturer's report must include all the items listed for tobacco products manufacturers in the preceding "Recordkeeping Requirements" section.

### Product Price and Net Weight Information

If you are a manufacturer selling cigarettes to a permit holder in Texas, you are required to submit to the Comptroller's office information on your list prices 15 days prior to any scheduled price changes. See Tax Code Section 154.204.

If you are a manufacturer selling tobacco products to a permit holder in Texas, you are required to file with the Comptroller's office, on or before the last day of each month, your list price and product net weight information for the previous month. See Tax Code Section 155.103.

You must submit your published list prices to the Comptroller's office so we have current information regarding your product prices. Send your most recently published product price list to:

#### **Texas Comptroller of Public Accounts**

Tobacco Tax Section

Account Maintenance Division

Post Office Box 13528

Austin, Texas 78711-3528

**Failure to file a product price list, or any changes to a product price list, may result in penalties of up to \$2,000 per day per list.**

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