

GENERAL INSTRUCTIONS TOBACCO EXCISE TAX

- A. A separate quarterly return must be filed by a licensee, even though no cigarettes or other tobacco products were brought or transported into the Borough during the quarter covered. If another distributor is collecting and remitting the exercise tax on your cigarette and tobacco products, a zero return shall be submitted noting what distributor is collecting the tax on your business' behalf, along with the copies of all cigarette/tobacco invoices for that quarter attached to the return.
- B. The return must be received or postmarked by the last day of each calendar month following the quarter covered by the return. If the last day of the month falls on a weekend or holiday, the return must be received or postmarked on or before the next business day.
- C. The return must state the number of packs of cigarettes and wholesale price of other tobacco products brought or transported into the Borough during the quarter.
- D. Documents and records substantiating this tax return must be kept for a minimum of three (3) years and are subject to inspection by the Haines Borough with at least one week's notice.
- E. Penalties and Interest:
- F. Penalty-Failure to File Timely
 - a. 10 % for the first month or any fraction thereof, and an additional 5 % per month accrued until a total late payment penalty of 25% has accrued shall be added to all returns until such tax, penalty and interest thereon have been paid.
 - b. Interest: 15 % per annum on the delinquent tax from the date of delinquency until paid, shall accrue and be collected in the same manner the delinquent tax is collected.

Definitions (3.82.020)

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

- A. "Cigarette" means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper of a material other than pure or nearly pure tobacco. A pack of cigarettes is a rectangular container, mostly of paperboard, which generally contains 20 cigarettes.
- B. "Distributor" means a person who brings or transports cigarettes or other tobacco products, or causes them to be brought or transported, into the Haines Borough for the purposes of sale, or for distribution to others for resale, within the Borough.
- C. "other tobacco product" means and includes:
 - 1. A cigar;
 - 2. A Cheroot;
 - 3. A stogie;
 - 4. A perique;
 - 5. Snuff and snuff flour;

6. Smoking tobacco, including granulated, plug-cut, crimp-cut, ready-rubbed, and any form of tobacco suitable for smoking in a pipe or cigarette;

7. Smoking tobacco, including Cavendish, twist, plug, scrap, and tobacco suitable for chewing;

8. A vapor product; and

9. An article or product made wholly or in part of tobacco or a tobacco substitute or otherwise containing nicotine that is expected or intended for human consumption.

Other tobacco product excludes a tobacco substitute prescribed by a licensed physician or a product that has been approved by the United States Food and Drug Administration for sale as a tobacco use cessation or harm reduction product or for other medical purposes and which is being marketed and sold solely for that approved purpose.

D. "Person" is specifically intended to include individuals who are employees, members, directors, agents or officers of any of such entities who are under a duty to perform an act concerning which a violation of this chapter could occur.

E. "Sale" means a sale, barter, exchange; and every other manner of transferring the ownership of personal property.

F. "Vapor product" means any vapor cartridge or other similar container which contains nicotine in a solution or other form that is intended to be used with an electronic cigarette or similar vapor producing device. It also includes an electronic cigarette kit when the kit contains vapor cartridge(s) and a disposable electronic cigarette or similar device sold for one time use.

G. "Wholesale price" means the established price for which a manufacturer sells a tobacco product to a distributor or other person, after deduction of a discount or other reduction received by the distributor for quantity or cash.

Levy of excise tax on tobacco products-rate 3.82.030

A. The Haines Borough hereby levies an excise tax of \$2.00, on each pack of cigarettes brought or transported into the Haines Borough after December 31, 2017.

B. The Haines Borough hereby levies an excise tax of 45 percent of the wholesale price on other tobacco products, other than cigarettes, brought or transported into the Haines Borough after December 31, 2017.

Exemptions 3.82.040

The tax imposed under this chapter does not apply to Cigarettes, other tobacco products or marijuana if the United States Constitution, The Alaska Constitution, or other federal or state laws that prohibit the levying of the tax on the product by the Haines Borough.

Registration 3.820.050

- A. All distributors of cigarettes or other tobacco products into the Haines borough as a distributor without first registering with the Haines Borough, and obtaining a certificate of registration. The registration shall be on a form provided by the borough and must be completed in full. Registration constitutes the distributor's consent to the borough's filing of a lien on real and personal property for delinquent taxes and related interest, penalties and administrative fees and costs.
- B. The registration required by this chapter is in addition to any other registration or license required by law.
- C. The non refundable fee for registration or renewal is \$50.00. A certificate is subject to renewal every five years.
- D. A distributor shall display the certificate of registration prominently at their place of business. A certificate of registration is not assignable or transferable.
- E. The borough may suspend or revoke a certificate of registration if a distributor fails to comply with the provisions of this chapter.
- F. Any appeal from the borough's failure to issue or renew a certificate of registration, or the borough's suspension or revocation of a certificate, must be filed within 30 days of the date of mailing of the borough's notification to the distributor.

For reference please see Haines **Borough Code 3.82.010**

If you have any questions regarding these filing requirements, please contact:

Haines Borough
Finance Department
P.O. Box 1209
Haines, AK 99827
(907) 766-6406