

Remote Sellers Joint LTN/TPN

- The Department released a draft notice on the treatment of luxury products for TPT purposes.
- Any remote seller of tobacco products (i.e. those without physical presence in Arizona) are subject to the same economic nexus threshold (i.e. \$100,000) as any other remote seller into Arizona.
- Vape and CBD are also subject to the same threshold.
- As a reminder, if you have physical presence in Arizona, you are not considered a remote seller and the economic nexus threshold will not apply.



Public Comment

- The notice is available for public comment at <https://azdor.gov/legal-research/public-comment-rulings-procedures-and-other-documents>.
- Please send any comments to Howard Cohen at hcohen@azdor.gov.
- Please contact azesale@azdor.gov for any questions related to remote seller thresholds.



Inventory Letters

The Department is aware certain distributors are having issues with beginning inventory not matching ending inventories on monthly filings.

Please note the beginning inventory of the month should always match the prior reported month's ending inventory.

Affected distributors should have received a notice and need to work with the Department on amending the impacted returns. Please note this only affects limited distributors and disregard this message if you have not received a letter.



Beginning and Ending Cigarette Inventory

Below is an example **of a return (May 2022 return)** obtaining / matching all its **beginning inventories from its April 2022 return ending inventories.**

The three inventories to be matched up are:

1. Unstamped Cigarette Inventory
2. Arizona Stamp Inventory
3. Stamped Cigarette Inventory



May Cigarette Return

May -2022 Return

MAIN FORM		RETURN SCHEDULES		CIGARETTE DISTRIBUTOR MONTHLY		INVOICE SUMMARY		RESERVATION TAX		DISTRIBUTOR CERTIFICATION																									
Non-Resident?	<input type="checkbox"/>	UNSTAMPED CIGARETTE INVENTORY																																	
Amended	<input type="checkbox"/>	<table border="1"> <thead> <tr> <th></th> <th>20</th> <th>25</th> </tr> </thead> <tbody> <tr> <td>Beginning</td> <td>254,830</td> <td>504</td> </tr> <tr> <td>Purchases and Credits</td> <td>507,340</td> <td>2,160</td> </tr> <tr> <td>Exports</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sales</td> <td>760</td> <td>0</td> </tr> <tr> <td>Returns/Adjustments</td> <td>5</td> <td>0</td> </tr> <tr> <td>Ending</td> <td>218,451</td> <td>1,016</td> </tr> <tr> <td>Total Affixed</td> <td>542,954</td> <td>1,648</td> </tr> </tbody> </table>											20	25	Beginning	254,830	504	Purchases and Credits	507,340	2,160	Exports	0	0	Sales	760	0	Returns/Adjustments	5	0	Ending	218,451	1,016	Total Affixed	542,954	1,648
	20	25																																	
Beginning	254,830	504																																	
Purchases and Credits	507,340	2,160																																	
Exports	0	0																																	
Sales	760	0																																	
Returns/Adjustments	5	0																																	
Ending	218,451	1,016																																	
Total Affixed	542,954	1,648																																	
Final	<input type="checkbox"/>	Return Source: e-Services																																	
Signed	<input type="checkbox"/>	E-File Signature Details																																	
		Timestamp: 11-Dec-2022 14:02:43																																	
		Web Logon: 190000000																																	
		Original Tax: 0.00																																	
		Adjusted Tax: 0.00																																	
ARIZONA STAMP INVENTORY																																			
	Blue		Red		Yellow		Green	AZ Total																											
	20	25	20	25	20	25																													
Beginning	13,549	0	8,107	1,712	0	0	17,850		41,218																										
Purchases	180,000	0	360,000	0	0	0	0		540,000																										
Adjustments	0	0	0	0	0	0	0		0																										
Ending	779	0	22,102	64	0	0	13,671		36,616																										
Total Affixed	192,770	0	346,005	1,648	0	0	4,179		544,602																										
Applicable Stamps	0		0		4,179		4,179																												
Per-Stamp Allowance										(0.0352)																									
Total Stamp Allowance										(147.10)																									
STAMPED CIGARETTE INVENTORY																																			
	Blue		Red		Yellow		Green		AZ Total	Other State																									
	20	25	20	25	20	25	20	25	Packs	Packs																									
Beginning	63,820	456	430	0	0	0	1	0	64,707	0																									
Total Affixed	192,770	0	346,005	1,648	0	0	4,179	0	544,602	0																									
Purchases	64,100	960	0	0	0	0	0	0	65,060	0																									
Credits	1,930	0	940	0	0	0	0	0	2,870	0																									
Sales/Exports	254,875	1,168	346,945	1,648	0	0	4,180	0	608,816	0																									
Returns	0	0	0	0	0	0	0	0	0	0																									
Adjustments	0	0	0	0	0	0	0	0	0	0																									
Ending	67,745	248	430	0	0	0	0	0	68,423	0																									



April Cigarette Return

April-2022 Return

MAIN FORM		RETURN SCHEDULES		CIGARETTE DISTRIBUTOR MONTHLY		INVOICE SUMMARY		RESERVATION TAX		DISTRIBUTOR CERTIFICATION		
Non-Resident?	<input type="checkbox"/>											
Amended	<input type="checkbox"/>											
Final	<input type="checkbox"/>											
Signed	<input type="checkbox"/>											
Return Source	e-Services											
E-File Signature Details												
Timestamp	20-Apr-2022 09:09											
Web Logon	1*****@*****											
Original Tax	0.00											
Adjusted Tax	0.00											
UNSTAMPED CIGARETTE INVENTORY												
		20	25									
Beginning		260,071	824									
Purchases and Credits		516,740	1,440									
Exports		0	0									
Sales		1,660	0									
Returns/Adjustments		0	0									
Ending		254,830	504									
Total Affixed		520,321	1,760									
ARIZONA STAMP INVENTORY												
		Blue		Red		Yellow		Green	AZ Total			
		20	25	20	25	20	25					
Beginning		3,915	0	26,942	3,472	0	0	18,970	53,299			
Purchases		180,000	0	330,000	0	0	0	0	510,000			
Adjustments		0	0	0	0	0	0	0	0			
Ending		13,549	0	8,107	1,712	0	0	17,850	41,218			
Total Affixed		170,366	0	348,835	1,760	0	0	1,120	522,081			
Applicable Stamps		0	0	1,120	1,120							
Per-Stamp Allowance										(0.0352)		
Total Stamp Allowance										(39.42)		
STAMPED CIGARETTE INVENTORY												
		Blue		Red		Yellow		Green		AZ Total	Other State	
		20	25	20	25	20	25	20	25	Packs	Packs	
Beginning		59,219	736	510	0	0	0	1	0	60,466	0	
Total Affixed		170,366	0	348,835	1,760	0	0	1,120	0	522,081	0	
Purchases		81,500	720	0	0	0	0	0	0	82,220	0	
Credits		1,520	8	210	0	0	0	0	0	1,738	0	
Sales/Exports		248,785	1,008	349,125	1,760	0	0	1,120	0	601,798	0	
Returns		0	0	0	0	0	0	0	0	0	0	
Adjustments		0	0	0	0	0	0	0	0	0	0	
Ending		63,820	456	430	0	0	0	1	0	64,707	0	



Reporting Discrepancies

When reporting tobacco product, if you do not know the brand code, you can look it up on the ALTO site.

If you enter anything other than the product code on the upload sheet, it will accept the information but raises flags for review.

