

103 KAR 41:110. Sample of cigarettes.

RELATES TO: KRS 138.135, 138.140, 138.155

STATUTORY AUTHORITY: KRS 131.130, 138.155

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130 (1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of Kentucky tax laws. This administrative regulation, under authority of KRS 138.155, describes the procedure for payment of tax on sample cigarettes on a reporting basis in lieu of affixing cigarette tax evidence to individual packages.

Section 1. In lieu of the affixture of stamps, tax on cigarettes packaged and distributed by manufacturers as a complimentary gift to consumers shall be paid on a monthly reporting basis. The report and tax remittance shall be submitted to the Department of Revenue, Frankfort, Kentucky, by the manufacturer on or before the 20th of the month following the month in which the cigarettes are shipped from the factory. The report shall set forth the number of cigarettes distributed and the method by which these cigarettes were distributed to consumers.

Section 2. All packages tax-paid by the manufacturer on a monthly reporting system shall bear an inscription beneath the cellophane wrapper indicating that the cigarettes contained therein are "not for sale."

Section 3. The records of the manufacturer relative to the distribution of sample cigarettes shall be retained for a period of four (4) years and subject to audit by agents of the department.

(CT-31; 1 Ky.R. 333; eff. 2-5-1975; TAm eff. 5-20-2009; TAm eff. 6-28-2016; Crt eff. 1-28-2020; 46 Ky.R. 1604; eff. 5-5-2020.)