FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amended at ARRS Committee)

103 KAR 41:090. Evidence of tax payment.

RELATES TO: KRS 138.146
STATUTORY AUTHORITY: KRS 131.130(1)
CERTIFICATION STATEMENT:
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 ***is promulgated pursuant to[interprets]*** KRS 138.146 and outlines requirements of the Department of Revenue for affixing evidence of cigarette tax payment.

Section 1. Payment of cigarette tax shall be evidenced by [either]the affixing of a decal stamp [or a metered impression]to each individual package of cigarettes.

Section 2. The decal stamps shall be printed, manufactured, and distributed exclusively by the authority of the Department of Revenue or its appointed agents. The stamps may [can]be affixed either by manual or mechanical application. The privilege of using a machine for affixing decal stamps shall [must]be secured from the Department of Revenue in advance of use. The application shall [must]be filed, in writing, by the party desiring to use this method of affixing tax evidence.

Section 3. [The use of any type of metering device, affixing tax evidence by the application of an impression, shall be subject to the approval of the Department of Revenue. The person affixing the tax evidence shall declare in writing to the Department of Revenue his intentions of using this method of stamping, and request permission to purchase the required tax units from the department or its appointed agents. The setting and sealing of any tax meter register shall be performed exclusively by authorized employees or agents of the department. The privilege of using the metering device shall be withdrawn from any party failing to affix tax impressions in a manner satisfactory to the Department of Revenue.]

[Section 4.] The decal stamp [or metered impression]shall be affixed to either the top or bottom edge of all standard packages of twenty (20) cigarettes in [such]a manner that the tax evidence will be visible when the packages are displayed for sale by the retailer. On packages containing more or less than twenty (20) cigarettes, the tax evidence shall be affixed to any part of the outer wrapping affording ample space and providing for a ready inspection by agents of the department.

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