

CHAPTER 5

CIGARETTE TAX ACT RULES

Authority

N.J.S.A. 54:40A-20.

Source and Effective Date

R.2009 d.352, effective December 7, 2009.
See: 41 N.J.R. 1164(a), 41 N.J.R. 4462(b).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 5, Cigarette Tax Act Rules, expires on December 7, 2016. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 5, Cigarette Tax Act, was filed and became effective prior to September 1, 1969.

Pursuant to Executive Order No. 66(1978), Chapter 5, Cigarette Tax Act, was readopted as R.1984 d.94, effective March 19, 1984. See: 16 N.J.R. 228(a), 16 N.J.R. 925(a).

Pursuant to Executive Order No. 66(1978), Chapter 5, Cigarette Tax Act, was readopted as R.1989 d.197, effective March 14, 1989. See: 21 N.J.R. 123(a), 21 N.J.R. 1018(b).

Pursuant to Executive Order No. 66(1978), Chapter 5, Cigarette Tax Act, was readopted as R.1994 d.184, effective March 14, 1994. See: 26 N.J.R. 759(a), 26 N.J.R. 1695(b).

Pursuant to Executive Order No. 66(1978), Chapter 5, Cigarette Tax Act, was readopted as R.1999 d.11, effective December 9, 1998. See: 30 N.J.R. 3609(a), 31 N.J.R. 55(b).

Chapter 5, Cigarette Tax Act Rules, was readopted as R.2004 d.146, effective March 16, 2004. See: 35 N.J.R. 5367(a), 36 N.J.R. 1954(a). Chapter 5, Cigarette Tax Act Rules, expired on September 12, 2009.

Chapter 5, Cigarette Tax Act Rules, was adopted as new rules by R.2009 d.352, effective December 7, 2009. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. DEFINITIONS

18:5-1.1 Words and phrases defined

SUBCHAPTER 2. IMPOSITION OF TAX

- 18:5-2.1 Cigarettes subject to tax; taxable status
- 18:5-2.2 Method of paying tax
- 18:5-2.3 Computation of tax
- 18:5-2.4 Cigarettes exempt from taxation
- 18:5-2.5 Cigarettes ceasing to be subject to tax
- 18:5-2.6 Sales of cigarettes for use on airplanes and vessels
- 18:5-2.7 Lost or stolen cigarettes

SUBCHAPTER 3. REVENUE TAX STAMPS

- 18:5-3.1 Purchase of stamps
- 18:5-3.2 Types of stamps available; denominations
- 18:5-3.3 Purchase of stamps; location
- 18:5-3.4 Purchase of stamps; discount allowed
- 18:5-3.5 Purchase of stamps; noncredit basis
- 18:5-3.6 Purchase of stamps on a credit basis
- 18:5-3.7 (Reserved)
- 18:5-3.8 (Reserved)
- 18:5-3.9 Purchase of stamps; credit basis payments
- 18:5-3.10 Decalomania revenue tax stamps

- 18:5-3.11 Stamping machines; authorization to use
- 18:5-3.12 Stamping machines; conditions of use
- 18:5-3.13 Stamping machine inspection
- 18:5-3.14 Stamping of cigarettes done in one continuous operation
- 18:5-3.15 Possession of cigarettes by licensed resident distributors
- 18:5-3.16 Registration of tax stamping equipment
- 18:5-3.17 Transfer of tax stamping equipment
- 18:5-3.18 Suspension or revocation of discount privilege
- 18:5-3.19 Suspension or revocation of credit privilege
- 18:5-3.20 Suspension or revocation of stamping machine privilege
- 18:5-3.21 Notice of suspension or revocation of discount, credit, or stamping machine privilege
- 18:5-3.22 Hearing of suspension or revocation of discount, credit, or stamping machine privilege
- 18:5-3.23 Basis of order suspending or revoking the discount, credit, or stamping machine privilege
- 18:5-3.24 Service of order suspending or revoking the discount, credit, or stamping machine privilege
- 18:5-3.25 Appeal of order suspending or revoking the discount, credit, or stamping machine privilege

SUBCHAPTER 4. REFUNDS AND REDEMPTION OF STAMPS

- 18:5-4.1 Refunds—in general
- 18:5-4.2 Payment of refunds; rejection of claims
- 18:5-4.3 Redemption of unused or mutilated tax stamps
- 18:5-4.4 Redemption of tax stamps affixed to spoiled packages of cigarettes
- 18:5-4.5 Redemption of tax stamps affixed to packages of cigarettes returned to manufacturers
- 18:5-4.6 Redemption of tax stamps affixed to packages of cigarettes sold to the United States Government or its agencies
- 18:5-4.7 Redemption of tax stamps affixed to packages of cigarettes exported
- 18:5-4.8 Refund for erroneous payments

SUBCHAPTER 5. REPORTS

- 18:5-5.1 Reports required
- 18:5-5.2 Forms of reports
- 18:5-5.3 Penalty for delinquent filing
- 18:5-5.4 Place for filing reports; remittance payable
- 18:5-5.5 Secrecy of reports
- 18:5-5.6 Reproduction of forms
- 18:5-5.7 Resident distributors' report
- 18:5-5.8 Nonresident distributors' report
- 18:5-5.9 Resident wholesale and retail dealers' report
- 18:5-5.10 Nonresident wholesale and retail dealers' report
- 18:5-5.11 Carrier reports
- 18:5-5.12 Consumer reports
- 18:5-5.13 Manufacturer reports
- 18:5-5.14 Time for filing reports
- 18:5-5.15 Consolidated reports
- 18:5-5.16 Number of reports required
- 18:5-5.17 Reports to be executed

SUBCHAPTER 6. LICENSES

- 18:5-6.1 Licenses required
- 18:5-6.2 Issuance of license; Director's powers
- 18:5-6.3 Display of license
- 18:5-6.4 Expiration of license; renewable
- 18:5-6.5 Distributor's license
- 18:5-6.6 Licensed distributor files bond
- 18:5-6.7 Wholesale dealer's license
- 18:5-6.8 Wholesale dealer files bond
- 18:5-6.9 Retail dealer's over-the-counter license
- 18:5-6.10 Retail dealer's vending machine license
- 18:5-6.11 Consumer's license
- 18:5-6.12 Manufacturer's license
- 18:5-6.13 Manufacturer's representative license

- 18:5-6.14 Additional and separate licenses required
- 18:5-6.15 Assignment or transfer of license
- 18:5-6.16 Refund of license fee; paid in error
- 18:5-6.17 Duplicate and amended license
- 18:5-6.18 Sale of cigarettes to persons improperly licensed
- 18:5-6.19 Suspension or revocation of license
- 18:5-6.20 Notice of suspension or revocation of license
- 18:5-6.21 Hearing of suspension or revocation of license
- 18:5-6.22 Service of order of suspension or revocation of license
- 18:5-6.23 Appeal of order of suspension or revocation of license
- 18:5-6.24 Sales during suspension or revocation of license
- 18:5-6.25 Abatement of proceedings
- 18:5-6.26 Applicability of these rules
- 18:5-6.27 Penalties for sales in violation of N.J.S.A. 52:4D-8

SUBCHAPTER 7. RECORDS

- 18:5-7.1 Resident distributor records
- 18:5-7.2 Nonresident distributor records
- 18:5-7.3 Wholesale dealer records
- 18:5-7.4 Retail dealer records
- 18:5-7.5 Manufacturers representatives' records
- 18:5-7.6 Director may adjust records

SUBCHAPTER 8. ASSESSMENTS

- 18:5-8.1 Deficiency assessment
- 18:5-8.2 Arbitrary assessment for withheld reports
- 18:5-8.3 Arbitrary assessment for fleeing, concealment, or removing appropriate
- 18:5-8.4 Penalties
- 18:5-8.5 Payment of assessments
- 18:5-8.6 Penalty for non-payment of assessments
- 18:5-8.7 Interest and penalties as tax
- 18:5-8.8 Waiver of penalty and interest
- 18:5-8.9 Certificate of debt, judgment
- 18:5-8.10 Protest against assessments
- 18:5-8.11 Informal hearing
- 18:5-8.12 Formal hearings
- 18:5-8.13 Service of notice on taxpayer
- 18:5-8.14 Written agreements final for tax liability
- 18:5-8.15 Appeals; Tax Court
- 18:5-8.16 (Reserved)

SUBCHAPTER 9. TAX A LIEN

- 18:5-9.1 Tax a debt and lien
- 18:5-9.2 Release of property from lien

SUBCHAPTER 10. VENDING MACHINES

- 18:5-10.1 Approval of types of cigarette vending machines
- 18:5-10.2 Display of cigarettes in vending machines
- 18:5-10.3 Identification of cigarette vending machines
- 18:5-10.4 Sealing and seizure of cigarette vending machines
- 18:5-10.5 Interior inspection of vending machines

SUBCHAPTER 11. TRANSPORTATION OF UNSTAMPED CIGARETTES

- 18:5-11.1 Transportation of unstamped cigarettes; permit required

SUBCHAPTER 12. PENALTIES

- 18:5-12.1 General provisions
- 18:5-12.2 Third degree crimes
- 18:5-12.3 Misdemeanors
- 18:5-12.4 Disorderly persons violations
- 18:5-12.5 Civil penalties
- 18:5-12.6 Forfeitures

SUBCHAPTER 1. DEFINITIONS

18:5-1.1 Words and phrases defined

The following words and phrases, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Carton” means the receptacle in which 10 packages of cigarettes are normally contained.

“Cigarette” means any roll for smoking made wholly or in part of tobacco, or of any other substance or substances other than tobacco, irrespective of size, shape or flavoring, the wrapper or cover of which is made of paper or any other substance or material, excepting tobacco.

“Consumer” means any person except a distributor or a manufacturer who acquires for consumption, storage or use in the State of New Jersey, cigarettes to which New Jersey revenue tax stamps have not been attached.

“Director” means the Director of the Division of Taxation. Wherever in these Rules and Regulations the word “Director” is used, it shall mean and include any employee or employees of the Division of Taxation, deputized or authorized, either generally or specifically, to act on behalf of the Director.

“Distributor”:

1. “Resident distributor” means and includes any person resident or located within the State of New Jersey, who brings or causes to be brought into the State of New Jersey, unstamped cigarettes purchased directly from the manufacturers thereof and stores, sells or otherwise disposes of the same, after they reach the State of New Jersey.

2. “Nonresident distributor” means and includes any person resident or located outside the State of New Jersey who purchases cigarettes directly from the manufacturer thereof and is engaged in the business of selling and shipping cigarettes into the State of New Jersey.

“Licensed consumer” means any consumer, as defined herein, licensed pursuant to the provisions of the Act.

“Licensed distributor” means any distributor, as defined herein, licensed pursuant to the provisions of the Act.

“Licensed manufacturer” means any manufacturer, as defined herein, licensed pursuant to the provisions of the Act.

“Licensed manufacturer’s representative” means any manufacturer’s representative, as defined herein, licensed pursuant to the provisions of the Act.

“Licensed retail dealer” means any retail dealer, as defined herein, licensed pursuant to the provisions of the Act.