

## Registration and Licensing Requirements

All distributors or carriers of tobacco products must be registered, licensed and submit the appropriate reports to the Department of Revenue.

<b>Business Type</b>	<b>Description</b>	<b>Registration</b>	<b>Licensing Fee</b>
<b>Wholesaler</b>	An entity or a person who purchases tobacco products from a manufacturer, a sole distributor, another wholesaler, or any other person for the purpose of selling tobacco products to subjobbers, tobacco product vendors, wholesalers, or retailers.	Yes	\$50
<b>Subjobber</b>	An entity or a person who purchases tobacco products from a Montana licensed wholesaler with the cigarette tax insignia affixed and sells or offers to sell tobacco products to a licensed retailer or tobacco product vendor. An isolated sale or exchange of cigarettes between licensed retailers does not constitute those retailers as subjobbers.	Yes	\$50
<b>Tobacco Product Vendor</b>	An entity or a person who own and operates 10 or more tobacco product vending machines for a profit in premises or locations other than the person's own.	Yes	\$50
<b>Tobacco Product Retailer</b>	An entity or a person who sells tobacco products to the consumer. This term includes an entity or a person who own and operates fewer than 10 tobacco product vending machines for a profit in premises or locations other than the person's own.	Yes	\$5
<b>Common Carrier</b>	A common carrier hauls, transports, or ships any tobacco products into or out of the State of Montana from or to any other state or country.	No	None
<b>Tobacco Product Importers</b>	An entity or a person who accepts purchase orders for tobacco product sales requiring delivering, mailing, or shipping tobacco products into Montana to a person other than a Montana licensed wholesaler, subjobber, tobacco product vendor or retailer.	Yes	None

## Taxable Products and Tax Rates

The tobacco product tax is added to the minimum selling price and passed on to the ultimate consumer.

<b>Tobacco Products</b>	<b>Definition Used by Montana Department of Revenue</b>	<b>Tax Rate</b>
<b>Cigarette</b>	Loose tobacco wrapped in a paper or a paper blended product, offered or likely to be offered, or purchased by consumers as a cigarette.	\$0.085 / stick (\$1.70 / pack of 20 cigarettes)
<b>Moist snuff</b>	Finely cut, ground, or powdered tobacco, other than dry snuff, that is intended to be placed in the oral cavity.	\$0.85 / ounce
<b>Roll-your-own (RYO) tobacco</b>	Loose tobacco that is suitable for making cigarettes.	50% of the wholesale price
<b>Pipe tobacco</b>	Loose tobacco that is not suitable for making cigarettes.	50% of the wholesale price
<b>Cigar</b>	Loose tobacco wrapped in a tobacco leaf.	50% of the wholesale price

## **Tobacco Product Sales or Distribution into Montana**

### **Internet Sellers Warning**

### **Reporting Requirements**

<b>Form ID</b>	<b>Form Name</b>	<b>Due Date</b>	<b>Purpose of Form</b>	<b>Remitted by</b>
<b>CT-201</b>	Cigarette Tax Decals Order Form	None	Cigarette tax insignia order form	Wholesalers
<b>CT-203</b>	Insignia Refund Application	None	Cigarette tax refund request form	Wholesalers
<b>CT-205</b>	Cigarette Tax	15th of the following month	Cigarette monthly inventory and tax insignia reconciliation report	Wholesalers
<b>CT-206</b>	Cigarette Tax Exempt Sale Certificate	None	Tax exempt sale certificate is issued to wholesalers for exempted cigarette sales to Montana sovereign tribes	Wholesalers
<b>CT-207</b>	Exempted Sales Refund	None	Reconciliation form to request tax refund from	Wholesalers

	Application		exempted sales	
<b>CT-MFG1</b>	Manufacturer Cigarette Tax	None	Cigarette tax report form remitted by tobacco product manufacturers who have shipped tobacco product directly to the consumers or retailers	Tobacco Product Manufacturer
<b>TP-101</b>	Tobacco Product Tax	15th of the following month	Tobacco product tax monthly reporting from sales of tobacco products that are not a cigarette	Wholesalers, Subjobbers, Tobacco Product Vendors, or Tobacco Product Retailers
<b>TP-102</b>	Tobacco Product Tax Credit	None	Tobacco product credit or refund request form for pre-paid tobacco product tax. To be submitted with the TP-101 when applicable	Wholesalers, Subjobbers, Tobacco Product Vendors, or Tobacco Product Retailers
<b>TP-103New</b>	Tobacco Product Delivery	10th of the following month	Tobacco product delivery to an unlicensed person	Common Carrier
<b>TP-104New</b>	Tobacco Product Delivery Sales	10th of the following month	Identify tobacco products sales by persons who accept purchase orders for tobacco sales	Any person who accepts purchase orders for tobacco product sales

## Violations and Penalties

By definition, **contraband** is:

- Any tobacco product possessed, sold, offered for sale, distributed, held, owned, acquired, transported, imported, or caused to be imported in violation of Title 16, Chapter 11, Part 1.
- Any cigarette or roll-your-own tobacco that is possessed, sold, offered for sale, distributed, held, owned, acquired, transported, imported, or caused to be imported in violation of Title 16, Chapter 11, part 4 or part 5;
- Any cigarettes that bear a trademark that is counterfeit under state or federal trademark laws.
- Any cigarettes bearing false or counterfeit insignia or tax insignia from other states.
- Any cigarettes or tobacco products that violate 16-10-306, MCA.

<b>Violations</b>	<b>Criminal Penalty</b>	<b>Civil Penalty</b>
Selling cigarettes below the established minimum price	None	The civil penalty is assessed based on

		the number of packs of cigarettes. The penalty is \$250 for the first pack and \$10 for each additional pack cigarettes
<ul style="list-style-type: none"> <li>• Failure to pay the tobacco products tax</li> <li>• Selling cigarettes and other tobacco products without a license</li> <li>• Selling unapproved brands of cigarettes or selling unstamped cigarettes or packs affixed with the insignia of another state is the same as selling contraband products</li> <li>• Transportation and holding of contrabands</li> </ul>	<p><b>Violation involving contraband products valued less than \$1000:</b></p> <ul style="list-style-type: none"> <li>• First violations offenders penalty is waived, with a warning.</li> <li>• Second violations offenders will be charged with a misdemeanor punishable by imprisonment for a term not less than 30 days up to 6 months or a fine not less than \$100 up to \$500 or both</li> <li>• Subsequent violations will constitute a felony punishable by a minimum imprisonment of 1 year or a fine not to exceed \$50,000 or both</li> </ul> <p><b>Violation involving contraband products valued greater than \$1000:</b></p> <ul style="list-style-type: none"> <li>• First violation constitutes a misdemeanor punishable by imprisonment for a term of up to one year or a fine of up to \$1000 or both</li> <li>• Second and subsequent violations will constitute</li> </ul>	<p><b>The civil penalty will be assessed against all violations involving contraband products valued greater than \$1000</b></p> <p>The civil penalty is assessed based on the number of packs of cigarettes. For the purpose of this penalty:</p> <ul style="list-style-type: none"> <li>• 0.09 ounces of roll-your-own tobacco constitutes one individual cigarette</li> <li>• 20 cigarettes constitute one pack of cigarettes, and</li> <li>• 1.80 ounces of roll-your-own tobacco constitutes one pack of cigarettes</li> </ul> <p>The penalty is \$250 for the first pack and \$10 for each additional full or</p>

	a felony punishable by a minimum imprisonment of one year or a fine not to exceed \$50,000 or both	partial pack of contraband cigarettes
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Montana Code Annotated

Administrative Rules of Montana for Tobacco Products