

LCB File No. R086-02

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

May 21, 2002

Explanation: Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: NRS 360.090, 370.510, 370A.060 and 370A.070.

Adding to NAC Chapter 370A as follows:

Section 1: *A wholesale dealer authorized to purchase or affix Nevada cigarette revenue stamps and licensed wholesale dealers of other tobacco products are required to report to the Department the quantity of all units sold as defined by NRS 370A.120, for each brand family not manufactured by a participating manufacturer as that term is defined in Section II(jj) of the Master Settlement Agreement.*

Section 2: *Each wholesale dealer shall maintain a copy of each report for four years after filing the report with the department.*

Section 3: *The report in Section 1 shall be filed on a form prescribed by the Department due at the same time as the reports that are due pursuant to NRS 370.240 and NRS 370.465. Reports for the months beginning May 24, 1999, through the month prior to the effective date of this rule are due sixty days after the effective date of this rule.*

Section 4: *The report may be made in paper form or by electronic means.*

Section 5: *A wholesale dealer may apply in writing to the department for an extension of time to file the report required by section 1 for a particular month, if the quantity of individual cigarettes is less than 10,000 ~~sticks~~. The department may grant such an extension for one or more months but in no event shall the extension exceed a calendar year.*

Section 6: *The report described in Section 1 shall include, the month of activity, the brand family name of the product being reported, the name and address of the manufacturer or exclusive distributor or importer, the name and address of the entity from whom each brand family was purchased, if different, and the number of individual cigarettes or the weight in ounces of roll your own tobacco upon which the wholesale dealer affixed a revenue stamp or other approved evidence of payment to each package, packet or container in which cigarettes are sold.*

Section 7: *The report described in Section 1 shall include a statement of the number of stamps purchased by the wholesale dealer from the department and not yet affixed to a package, packet, or container of cigarettes.*

Section 8: The report described in Section 1 shall include a statement that the wholesale dealer who is also a manufacture as defined in NRS 370A.060 has complied with NRS 370A.140 and 370A.160(1) since May 24, 1999 or that those sections of law did not apply to the wholesale dealer during any time from May 24, 1999, to the present.

Section 9: *The wholesale dealer shall report the number of cigarettes ~~[or weight in ounces]~~ regardless of whether the wholesale dealer owned the cigarettes ~~[or roll your own tobacco]~~ at the time the wholesale dealer affixed the revenue stamp or other approved evidence of payment to each package, packet or container in which the cigarettes are sold.*

Section 10: *The department may impose the remedies available under NRS 370.250 or 370.465 if a wholesale dealer does not file the report required by this Chapter or makes any incorrect statement on the report.*

Section 11: *No wholesale dealer may file the report of Section 1 if owned in whole or in part by a person or business entity that is a manufacture as defined in NRS 370A.060 and did not comply with NRS 370A.140 and NRS 370A.160(1).*

Section 12: *The department, in consultation with the attorney general, shall develop and provide wholesale dealers with a current list of tobacco product manufacturers that are participating manufacturers as defined in section II(jj) of the Master Settlement Agreement, and the brand families of each such tobacco product manufacturer. The department shall post the list on the website of the department and shall update the list as necessary.*

Section 13: *For purposes of this chapter, the term “brand family” means all styles of cigarettes sold under the same trade mark and differentiated from one another by means of additional modifiers including, but not limited to, “menthol”, “lights”, “kings”, and “100’s”.*

Amending and adding to NAC Chapter 370 as follows:

Section 1: *The reports required under NAC Chapter 370A are required under NRS 370.240 and 370.465. The department may impose remedies available under NRS 370.250 and 370.465 if a wholesale dealer does not file the report required by NAC Chapter 370A.*

Section 2: *No wholesale dealer license may be issued to a business entity that did not comply with NRS 370A.*