

59-14-215 Transitional inventory tax on cigarettes -- Penalties and interest for failure to comply -- Credit or refund for outdated, unaffixed stamps.

- (1) In addition to the tax described in Section 59-14-204, there is imposed, beginning on July 1, 2010, an inventory tax on all cigarettes subject to the tax described in Section 59-14-204, upon the sale, use, storage, or distribution of those cigarettes in the state, as follows:
 - (a) the tax imposed in this section applies only to cigarettes sold, used, stored, or distributed in the state on or after July 1, 2010:
 - (i) that have a stamp that reflects that the tax paid on those cigarettes was paid at the tax rate imposed under Section 59-14-204 that was applicable on June 30, 2010; and
 - (ii) for which the tax imposed in this section has not been paid; and
 - (b) the tax imposed in this section is equal to the difference between:
 - (i) the tax imposed on those cigarettes under Section 59-14-204, beginning on July 1, 2010; and
 - (ii) the tax imposed on those cigarettes under Section 59-14-204 on or before June 30, 2010.
- (2) Except as otherwise provided under this chapter, the tax imposed under this section shall be paid by any person who is the manufacturer, jobber, importer, distributor, wholesaler, or retailer.
- (3) A person described in Subsection (2) shall remit the tax imposed in this section, on a return prescribed by the commission, on or before July 31, 2010.
- (4) Failure of a person to comply with the requirements of this section subjects the person to the penalties and interest described in Sections 59-1-401 and 59-1-402.
- (5) The commission may not waive the interest or penalties imposed on a person for failure to comply with the requirements of this section.
- (6)
 - (a) Beginning on July 1, 2010, it is unlawful to affix a stamp to cigarettes that reflects payment of the tax imposed under Section 59-14-204 at the rate that was applicable on or before June 30, 2010.
 - (b) A person who violates Subsection (6)(a) may be required by the commission to pay as part of the tax, and in addition to any other penalty provided in this chapter, a penalty of \$25 for each offense, to be assessed and collected by the commission in accordance with Chapter 1, Part 14, Assessment, Collections, and Refunds Act.
 - (c) A person who, on or after July 1, 2010, possesses tax stamps described in Subsection (6)(a) may return the stamps to the commission for a credit or refund.

Amended by Chapter 407, 2010 General Session, (Coordination Clause)
Enacted by Chapter 415, 2010 General Session