



**Iowa Department of Revenue**

**Director:** Courtney M. Kay-Decker  
Hoover State Office Building  
Des Moines, Iowa 50319  
[www.iowa.gov/tax](http://www.iowa.gov/tax)

June 13, 2012

RE: VENDING MACHINES in Iowa that assemble cigarettes – new law **Effective July 1, 2012**

On May 2, 2012, Governor Branstad signed SF 2328, which contains requirements pertaining to vending machines that assemble cigarettes.

Summary of Law:

- All retail cigarette and tobacco permit holders that own, lease, rent, or otherwise operate a vending machine that assembles cigarettes **must pay a Stick Tax of \$.0306** for every cigarette stick assembled. Failure to remit tax may lead to penalties and possible permit revocation.
- Only Roll Your Own (RYO) products that are on the Iowa Directory of Certified Tobacco Products and Manufacturers may be inserted into the vending machine to assemble cigarettes. The list is available at: <http://www.iowa.gov/tax/business/CigTobIndex.html>.
- On or after January 1, 2014, all cigarettes dispensed from such a vending machine must comply with Iowa Code Ch. 101B regarding fire-safe paper.

Requirements for Retail Locations with Vending Machines that Assemble Cigarettes:

- Retail cigarette and tobacco permit holders must file an updated retail permit application with the appropriate city or county. The 2012-2013 application has been updated as of May 30, 2012. If you filed your application prior to that date, you must file a new form.
- File monthly returns with the Department (copy enclosed):
  - Compute the tax on each stick assembled (\$.0306 per stick).
  - Send a check with the completed return.
  - Every 10th of the month returns are due for the previous month.
  - Locations with more than one machine must file a separate return for each machine.
- Maintain a meter (or similar device) on the machine that counts the number of cigarettes dispensed by the machine. The meter must not be accessed except for the sole purpose of taking meter readings, and cannot be reset or otherwise altered.
- Use only APPROVED RYO Tobacco Products in the vending machine to assemble cigarettes. The list is available at: <http://www.iowa.gov/tax/business/CigTobIndex.html>. Any RYO product not on the directory is considered contraband and civil penalties start at \$5,000.00.
- **After June 30, 2012**, pipe tobacco is not legal to insert into vending machines to assemble cigarettes - civil penalties start at \$200.00.

**Please be aware that this law takes effect July 1, 2012. Therefore, your first filing will be a July return due on August 10th, 2012.** Civil penalty for late returns starts at \$200.00.

For forms and more information visit the Department's website, [www.iowa.gov/tax](http://www.iowa.gov/tax) and

- click on "forms" tab at the top of the page;
- click on "cigarette/tobacco;" and
- click on the form or approved brands directory.

If you have questions pertaining to this or any cigarette/tobacco issue, you may contact Dawn Johnson, Examiner, Examination Section, Compliance Division, by email: [dawn.johnson@iowa.gov](mailto:dawn.johnson@iowa.gov), phone: 515-281-8023, or fax: (515)281-3756.

# Iowa Vending Machine Monthly Tax Return (Sticks Assembled)

RETURN FOR MONTH OF \_\_\_\_\_ YEAR \_\_\_\_\_  
 DUE DATE: On or before the 10th day of the month for the preceding calendar month.

**Iowa Department of Revenue**

LICENSE NO: \_\_\_\_\_

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

FOR OFFICE USE ONLY	
Postmark Date	_____
Audit Period	_____

Vending returns and all supporting documentation are required to be maintained for five years.

**MAIL TO: Iowa Department of Revenue, PO Box 10472,  
 Des Moines IA 50306-0472**

Include all Pipe Tobacco and Roll Your Own (RYO) product purchased this month (schedule P 1)

Only approved brands of roll-your-own product may be sold in Iowa. Any product not on the list is contraband. Go to [www.state.ia.us/tax/business/CigTobIndex.html](http://www.state.ia.us/tax/business/CigTobIndex.html)

## Section 1 – Number of RYO Ounces and Pipe Tobacco Ounces Purchased this Month

Total number of ounces purchased from Purchase Worksheet (form P1)..... \_\_\_\_\_

## Section 2 – Meter Reading for this Month

Beginning Meter Reading for this month ..... \_\_\_\_\_

Ending Meter Reading for this month ..... \_\_\_\_\_

Difference - total number of sticks assembled for this month..... \_\_\_\_\_

## Section 3 – Computation of Tax Due

Total number of sticks assembled for this month (use difference from above) ..... \_\_\_\_\_

Stick Rate for Vending Machine..... \$0.0306

Vending Machine Stick Tax (multiply total sticks by stick rate) ..... \_\_\_\_\_

Total Vending Machine Stick Tax Due (amount from above)..... \$ \_\_\_\_\_

Penalty, if applicable (10% of tax due, if 90% of the correct tax is not paid by the due date)..... \$ \_\_\_\_\_

Interest, if applicable (.007 per month, for each month late)..... \$ \_\_\_\_\_

**TOTAL AMOUNT DUE: Make check payable to TREASURER STATE OF IOWA..... \$ \_\_\_\_\_**

I declare that I have examined this return and attachments and to the best of my knowledge and belief, it is a true, correct and complete return.

\_\_\_\_\_  
 Authorized Signature                      Title of Officer                      Telephone Number                      Date

**Must attach Schedule P 1 unless zero for that schedule.**

# IOWA Schedule P 1 - Purchases of RYO Products and Pipe Tobacco Products

Iowa Department of Revenue

70-099 P1 (05/25/12)

RETURN FOR MONTH OF \_\_\_\_\_

YEAR \_\_\_\_\_

NAME \_\_\_\_\_

List all RYO tobacco and Pipe tobacco purchases with the invoice number and ounces (use a separate entry for each brand).

line number	Invoice Number	Invoice Date	Name	Purchased From City	State	Brand Name(s)	Quantity	Weight Each (in ounces)	Total Weight (quantity X ounces)	
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
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18										
19										
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21										
22										
23										
24										
25										
26										
27										
28										
30	<b>TOTAL Weight of RYO &amp; Pipe Tobacco Purchases in Ounces .....</b> - Enter This Total in Section 1 of form 70-099a									<b>0</b>

Attach to Iowa Vending Machine Return Form 70-099a

# Iowa Vending Machine Stick Tax Instructions

Iowa Department of Revenue

(02/07/13)

## GENERAL REQUIREMENTS OF PERMIT HOLDERS:

Any retail cigarette or tobacco permit holder owning, renting, leasing, or otherwise operating a cigarette vending machine into which loose tobacco products are inserted and from which assembled cigarettes are dispensed shall do the following:

1. Complete forms 70-099 P1 and 70-099a each month by the 10th of the month for the previous calendar month;
2. Pay directly to the Department, a tax equal to \$0.0306 per stick, for cigarettes dispensed from such machine; and
3. Maintain in good working order on such machine a secure meter that counts the number of cigarettes dispensed by the machine, which meter cannot be accessed except for the sole purpose of taking meter readings, and cannot be reset or otherwise altered by the permit holder.

### **4. Use only approved RYO brands for loose tobacco inserted into the RYO Vending Machine.**

ALL RYO PRODUCT PURCHASED MUST BE ON THE APPROVED BRANDS LIST: <http://www.iowa.gov/tax/business/CigTobIndex.html>

## FORM INSTRUCTIONS:

### **70-099 P1** - List all Purchases of RYO and Pipe Tobacco Products on this Schedule.

Invoice Number- List the invoice number.

Invoice Date - List the date on the invoice.

Purchased From - List the Name, City and State from which each brand was purchased.

Brand Name - List the full brand name of each RYO or Pipe tobacco product purchased.

Quantity - List the number of each brand purchased (list different weights as separate entries).

Weight Each (in Ounces) - List the ounce total for the specific product ( ie: 6 oz, 8 oz, 16 oz, etc).

Total Weight - Multiply the quantity by the weight in ounces. Transfer this total to the front page of 70-099a in Section 1.

### **70-099a** - List beginning meter inventory, ending meter inventory, the difference, and compute the tax due.

#### Section 1: Number of RYO Ounces and Pipe Tobacco Products Purchased This Month

Total Number of Ounces Purchased - Bring the total over from Schedule P1.

#### Section 2: Meter Reading This Month

Beginning Meter Inventory- List the meter reading at the beginning of the month.

Ending Meter Inventory- List the meter reading at the end of the month.

Difference - Subtract beginning inventory from ending inventory to obtain total sticks assembled.

#### Section 3: Computation of Tax Due

Total Number of Sticks Assembled for This Month - Bring the difference amount down from Section 2.

Stick Rate for Vending Machine - The tax per stick is \$0.0306.

Vending Machine Stick Tax - Multiply total sticks assembled by \$0.0306 to obtain tax due for sticks assembled.

Total Vending Machine Stick Tax Due - Bring down the amount from above.

Penalty, if applicable (10% of the tax due, if 90% of the correct tax is not paid by the due date).

Interest, if applicable (.007 per month due for each month late)

Total Amount Due - Add total RYO stick tax, penalty and interest.

Submit a check each month to TREASURER STATE OF IOWA for Vending Machine Stick Tax along with completed forms 70-099 and 70-099 P1. Must be postmarked by the 10th day of each month for the preceding calendar month.

Mail To: Iowa Department of Revenue, Cigarette Tax, PO Box 10472, Des Moines, IA 50306-0472