

## Iowa Department of Revenue Commonly Asked Questions About Retail Cigarette/Tobacco Permits

**Q. I can find the application online but not the permit.**

A. The permit is not on the Web site. It is available as a Word file. You may request the Word file by sending an e-mail to [dawn.johnson@iowa.gov](mailto:dawn.johnson@iowa.gov).

**Q. Do I have to send a copy of the permit or application to the state?**

A. Yes. Mail or fax a copy of all completed applications to the Iowa Department of Commerce, Division of Alcoholic Beverages, 1918 SE Hulsiezer Road, Ankeny, IA 50021. **Fax # 515-281-7375**. If you have problems with the fax going through, please call (515) 281-7414. Mail or fax a copy of ONLY the applications of retailers that have vending machine locations to the Department of Revenue. The original permit should be given to the permittee and the application stays with the issuing authority.

**Q. What requires a retailer to have a permit to sell cigarettes or tobacco products?**

A. Tobacco products were added to the retail cigarette/tobacco permit. Chapter 453A of the Iowa Code requires that any person offering cigarettes or tobacco products for sale to the consumer hold a valid retail cigarette/tobacco permit. Only one permit is required for selling cigarettes only, tobacco products only, or both cigarettes and tobacco products.

**Q. I have a completed Retail Cigarette/Tobacco Application; what do I do next?**

A. First, make sure that the application is completed IN FULL with Business Location Name, Business Location Address (not a PO Box), Mailing Address, Type of Sales (vending machine or over the counter), Type of Establishment, Ownership Type (sole proprietor, partnership, corporation), Legal Owner Name, and Legal Owner Mailing Address. All of this information should be on the application. A permit should not be given until the application is complete. Then you must have the application approved by the city council or board of supervisors. Once approved, type a new Retail Cigarette/Tobacco Permit (Word file) from the information on the application.

**Q. Is the issuing authority required to fill in the bottom left corner of the application (For Office Use Only)?**

A. Yes. This allows anyone looking at the completed application to know when the permit was issued and the current permit number. You need to write in the date the permit is issued and the amount of money that the permit holder paid. You need to write the permit number, including letters (see following question), then check whether it is a new permit or a renewed permit.

**Q. What is the permit number? Where do I find out what the permit number is?**

A. The permit number for the Word file permit is the number you make up and put in the city/county number area at the top of the permit.

**Q. What is the city number that I am supposed to use, and do I need to fill in that area?**

A. That area is for the city to track the number of permits issued each year, using whatever numbering system they establish. *For Word-generated permits, this city number area will be the permit number.* Each permit you issue should have a different number. Example: FY2008-001, FY2008-002, etc., or 2008-001, 2008-002, etc.

**Q. When do retail permits expire?**

A. All retail cigarette/tobacco permits expire on the next June 30 after issue. Permits cannot be issued for longer than 1 year. They will be issued for shorter periods of time if purchased after July 1. Examples:

1. A permit issued on May 29, 2012, will expire on June 30, 2012.
2. A permit issued on July 3, 2012, will expire on June 30, 2013.
3. A permit issued on January 15, 2013, will expire on June 30, 2013.

**Q. How much do I charge for a retail cigarette/tobacco permit?**

A. The price of a retail permit depends on two things: (1) The location of the business; and (2) the month issued.

Prices are as follows:	<b>Location</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>
	Outside of city limits	\$50.00	\$37.50	\$25.00	\$12.50
	City of less than 15,000	\$75.00	\$56.25	\$37.50	\$18.75
	City of 15,000 or more	\$100.00	\$75.00	\$50.00	\$25.00

**Q. What do I do with the money from the Retail Cigarette/Tobacco Permits?**

A. The money stays with the issuing authority.

**Q. A business with a permit is moving to a new location. Is there a charge for a new permit?**

A. A new permit is required when there is a change to a new location. If the business remains within the jurisdiction of the same entity that granted the original permit, the original permit is exchanged for a new permit, free of charge. However, if the business moves to another jurisdiction, there is a refund when the original permit is surrendered and there is a fee when the new permit is issued. The refund and fee are each paid without regard to the other.

**Q. Can we refund cigarette/tobacco permit fees?**

A. Yes. If the permit is returned to the issuing authority, a refund may be given. The amount of the refund depends on the date the permit is surrendered. The refund amounts are:

<b>If Surrendered In</b>	<b>Refund Is</b>
Jul-Sep	¾ of the amount fee
Oct-Dec	½ of the amount fee
Jan-Mar	¼ of the amount fee
Apr-Jun	No refund given

See chapters 453A.13(4) and 453A.47A of the Iowa Code for additional information.

**Q. What place of business is used for a mobile retailer’s permit?**

A. A mobile vehicle from which cigarettes or tobacco products are sold is considered a place of business. The retailer must have a separate permit for each city and for each county’s unincorporated area where cigarettes or tobacco products are sold from the vehicle. A permit must include identification of the vehicle and the permanent place of business from which the vehicle is dispatched.

**Q. May a delivery business receive a cigarette or tobacco retail permit?**

A. No, for the following reasons: 1) Each place where the business of cigarette and tobacco sales are made must be licensed. Permits are issued on a location basis not on a corporate ownership basis. That is why each grocery store in a chain and convenience store in a chain has its own permit. It is impossible to issue a permit for every location where the delivery company would transact business. The regulated part of the transaction is not the ordering of the cigarettes or tobacco, it is the delivery. This is where verifying age and making sure the proper stamps are affixed become the issue. 2) Delivery sales are not conducive to conducting compliance checks geared toward minimizing sales to youth. Businesses operating out of a specific location are subject to unannounced compliance checks at any time. This is important in a highly-regulated business such as cigarette and tobacco sales. 3) It is also important for the Department of Revenue to be able to check to make sure the retailer is in compliance with Iowa tax law. Meeting someone at a storage facility by appointment does not provide the Department with the opportunity for adequate oversight of the retail permit holders. Finally, 4) the Iowa Retail Cigarette/Tobacco Permit application form (70-014) lists only two types of sales allowed at retail: (a) vending machines (in very limited adult only areas); and (b) over-the-counter sales. Delivery sales are neither of these. **Retail permits should not be issued to delivery businesses. Cities or counties with questions about this policy should contact Matt Gannon (515) 281-4951 at the Iowa Attorney General’s Office.**

**Q. What is the difference between a mobile retailer’s permit, which I may issue, and issuing a permit to a delivery business, which I may not do?**

A. There are several differences. First, the mobile retailer establishes a fixed position from which to sell; for example, at a job site or special event. All sales are over the counter, face to face, and are subject to random compliance checks. A delivery business, on the other hand, does not conduct face-to-face sales; it takes orders over the telephone or the Internet. In order to ensure that mobile retailer permit holders are acting in accordance with state law, the issuing authority should request that the mobile permit holder notify it in advance of the dates and locations within the jurisdiction when it will be

selling tobacco products. In addition, the mobile permit holder may only sell cigarettes or tobacco products during the ordinary course of business at the time and place the retail permit holder customarily operates. The mobile permit holder may not, for example, sell tobacco products from his or her home.

**Q. A change in ownership occurred at Joe's Lounge. The new owner needs a permit for three months. How should I sell them a permit?**

A. The permit should be sold to the new owner for the remainder of the fiscal year (with an expiration date of June 30). When a permit is surrendered after it is no longer needed, a refund can be given (except for the last quarter).

**Q. What are vending machines that assemble cigarettes?**

A. Vending machines that assemble cigarettes are commonly referred to as "roll-your-own" or "RYO" machines. Retailers that are locations for these machines will need to file a monthly tax return with the Department Revenue to pay a Stick Tax of \$.0306. Such retailers also must fill out a retail permit application that indicates that such a machine is present at their location. Cities and counties must Fax copies of these completed applications to the Department of Revenue. **Fax # 515-281-3756.**

**Q. Who can sell from a vending machine?**

A. Cigarettes or tobacco products cannot be sold through a vending machine unless the vending machine is located in a place where the retailer ensures that no person younger than 18 years of age is present or permitted to enter at any time. If persons under 18 are allowed to enter, the retailer must change to over-the-counter sales. In addition, no permit should be issued if other non-tobacco products (other than matches) are sold from the same vending machine. The retailer may need a Cigarette Vendors Permit too; please call Dawn Johnson at (515) 281-8023.

**Q. How old must my employees be to sell cigarettes or tobacco products?**

A. Iowa Code, chapter 453A.2 allows anyone under the age of 18 to sell cigarettes or tobacco products if they are legally employed by a holder of a valid retail cigarette/tobacco permit under the cigarette and tobacco products chapter or by a person who lawfully offers for sale or sells cigarettes or tobacco products.

**Q. What do I do if a business does not renew its retail cigarette/tobacco permit and it is are still selling cigarettes or tobacco products?**

A. All cigarette/tobacco permits expire on June 30. Anyone selling cigarettes or tobacco products after that date without renewing their permit is in violation of the Iowa Code chapter 453A.36. There is a penalty that can be assessed. (Iowa Code CH 453A.31). Please call Dawn Johnson at (515) 281-8023.

**Q Who can I contact for help and answers to general questions on cigarette/tobacco permits?**

A. You can contact Dawn Johnson at dawn.johnson@iowa.gov or telephone (515) 281-8023.

**Q. Who can I contact for help and answers to questions on tobacco enforcement against retailers and sales to minors on cigarette or tobacco products questions?**

A. You can contact Kris Ensign at Kristin.Ensign@iowa.gov or telephone 515-281-8480.

**Q. Where can I obtain a copy of the Retail Cigarette/Tobacco Permit Application?**

A. From the Department's Web site at [www.iowa.gov/tax](http://www.iowa.gov/tax) (click on the forms link at the top of the page, then on the Cigarette/Tobacco link, then click on form # 70-014).

**Q. Where do I find information about the smoking ban? Who do I call with questions about the smoking ban?**

A. You may view questions and answers about the Iowa Smoke Free Air Act at the Web site [www.iowasmokefreeair.gov](http://www.iowasmokefreeair.gov) or you may call 1-888-944-2247.