

## Iowa Department of Revenue

### Commonly Asked Questions About Retail Cigarette/Tobacco/Nicotine/Vapor Permits

**Q. If I already sent out my renewal permits, do I need to redo them?**

**A.** No. The nicotine and vapor are being added to the retail cigarette/tobacco permit. Only the e-cigarette or vapor retailers (that currently don't have a permit) will need the NEW permit. The new law takes effect July 1, 2014.

**Q. What retailers are required to have a permit?**

**A.** Chapter 453A of the Iowa Code requires that any person offering cigarettes, tobacco products, vapor products, or alternative nicotine products for sale to the consumer hold a valid retail permit. Only one permit is required for selling cigarettes only, tobacco products only, nicotine products only, vapor products only or any combination of these products

**Q. What are alternative nicotine products or vapor products?**

**A.** "Alternative nicotine product" means a product, not consisting of or containing tobacco, that provides for the ingestion into the body of nicotine, whether by chewing, absorbing, dissolving, inhaling, snorting, or sniffing, or by any other means.

"Vapor product" means any noncombustible product, which may or may not contain nicotine that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size that can be used to produce vapor from a solution or other substance.

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

**A.** The permit is not on the website. It is available as a Word file. You may request the Word file by sending an e-mail to [Dawn Johnson \(dawn.johnson@iowa.gov\)](mailto:dawn.johnson@iowa.gov) or [Lisa Settles \(lisa.settles@iowa.gov\)](mailto:lisa.settles@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 (ABD), 1918 SE Hulsizer Road, Ankeny, IA 50021. Fax 515--281-7375 or email [Jessica Ekman \(ekman@iowaabd.com\)](mailto:ekman@iowaabd.com). If you have problems with the fax going through, please call 515-281-7434. 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. I have a completed Retail Cigarette/Tobacco/Nicotine/Vapor 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 Retail Cigarette/Tobacco/Nicotine/Vapor Permit 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: FY2015-001, FY2015-002, etc., or 2015-001, 2015-002, etc.

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

**A.** All retail cigarette/tobacco/nicotine/vapor 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:

- A permit issued on May 29, 2014, will expire on June 30, 2014.
- A permit issued on July 3, 2014, will expire on June 30, 2015.
- A permit issued on January 15, 2015, will expire on June 30, 2015.

**Q. How much do I charge for a retail cigarette/tobacco/nicotine/vapor 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:

Location	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
• 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/nicotine/vapor 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/nicotine/vapor 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:

If Surrendered In	Refund Is
• 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, tobacco, nicotine, or vapor retail permit?**

**A.** No, for the following reasons:

- 1) Each place where the business of cigarette, tobacco, alternative nicotine or vapor products 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, tobacco, alternative nicotine or vapor products; 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, tobacco, alternative nicotine and vapor products 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.
- 4) Finally, the Iowa Retail Cigarette/Tobacco/Nicotine 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, tobacco, alternative nicotine, or vapor 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, tobacco, alternative nicotine or vapor products if they are legally employed by a holder of a valid retail cigarette/tobacco/nicotine permit under the cigarette, tobacco, alternative nicotine, and vapor products chapter or by a person who lawfully offers for sale or sells cigarettes, tobacco, alternative nicotine, or vapor products.

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

**A.** All cigarette/tobacco/nicotine/vapor permits expire on June 30. Anyone selling cigarettes, tobacco, alternative nicotine, or vapor 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/nicotine/vapor permits?**

**A.** You can contact [Dawn Johnson \(dawn.johnson@iowa.gov\)](mailto: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, tobacco, alternative nicotine, or vapor products questions?**

**A.** You can contact [Kris Ensign \(Kristin.Ensign@iowa.gov\)](mailto:Kris.Ensign@iowa.gov) or telephone 515-281-8480.

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

**A.** From the [Department's website at \(www.iowa.gov/tax\)](http://www.iowa.gov/tax) by clicking on the forms link at the top of the page, then click on the Cigarette/Tobacco link, finally 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 website [www.iowasmokefreeair.gov](http://www.iowasmokefreeair.gov) or you may call 1-888-944-2247.