

Application for Compensation for Purchases of Certain Cigarette Case Packers and/or Conveyors by Eligible Stamping Agents

Issued under authority of Public Act 327 of 1993.

INSTRUCTIONS: Under 2014 PA 298, an eligible stamping agent may be compensated for purchases of certain cigarette case packers and conveyors. By law, the amount of the compensation is 0.5% of the tax due on the stamping agent's sales of Michigan- stamped cigarettes each month. The law provides for limitations on case packers and conveyors that are eligible for compensation—see page 2 of this form for the applicable law. Contact the Tobacco Tax Unit at 517-636-4630 if you have questions concerning your eligibility for compensation.

PART 1: STAMPING AGENT INFORMATION						
Name of Stamping Agent (include d/b/a if applicable)				Account Number (FEIN, ME, or TR)		
Street Address 1				License Number		
Street Address 2				Daytime Telephone Number		
City		State	ZIP Code	Fax Number		
PART 2: QUALIFICATION FOR COMPENSATION FOR CASE PACKERS AND/OR CONVEYORS						
Have you purchased a digital cigarette tax stamping machine for the primary purpose of affixing Michigan digital stamps to individual packs of cigarettes? <input type="checkbox"/> Yes <input type="checkbox"/> No		When was your digital cigarette tax stamping machine implemented? (mm/dd/yyyy)		Are you legally authorized to stamp cigarettes for sales or distribution for any other state? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, which state(s)?		
PART 3: COMPENSATION FOR CASE PACKERS AND/OR CONVEYORS						
For each item for which you are seeking compensation, complete the information below. You must attach supporting documentation for all costs for which you are seeking compensation, including copies of itemized invoices. Failure to provide the documentation may result in delay or denial of your request. The Department may request additional information in order to determine the amount of compensation that is due under the compensation limitations described in MCL 205.427(3)(d). Attach additional sheets as needed. If you have questions call the Tobacco Tax Unit at 517-636-4630.						
Item Purchased (Case Packer or Conveyor)	Serial Number (if applicable)	Date of Purchase	Cost of Item Purchased	Sales/Use Tax	Shipping & Crating Charges (if applicable)	Total Reimbursement Requested
1.						
2.						
3.						
4.						
GRAND TOTAL						
PART 4: CERTIFICATION BY STAMPING AGENT						
<p><i>I declare under penalty of perjury that the information on this form is true and complete to the best of my knowledge.</i></p> <p><i>I further certify that:(i) any conveyors for which I am seeking compensation are only those conveyors that will be used exclusively for that portion of a cigarette stamping line that is necessary for and dedicated to cigarette stamping operations using a digital stamping machine to affix digital stamps to individual packs of cigarettes to be sold in Michigan; and (ii) the cigarette stamping line served by these conveyors is in addition to 1 or more distinct and existing cigarette stamping lines using stamping machines which do <u>not</u> use the Michigan digital stamp authorized by 1993 PA 327.</i></p> <p><i>I further certify that any and all case packers or similar machines for which I am seeking compensation: (i) will be used exclusively to repack cigarette cartons after Michigan digital stamps have been applied by digital stamping machines to the individual packages of cigarettes contained within those cartons; and (ii) are in addition to, and not replacement(s) for, 1 or more case packers or similar machines used in connection with cigarette stamping machines which do <u>not</u> use the Michigan digital stamp authorized under MCL 205.425a(2).</i></p>						
Name of Officer, Member, Partner or Authorized Agent (print or type)						
Signature of Officer, Member, Partner or Authorized Agent					Date	

For assistance contact the Tobacco Tax Unit at 517-636-4630.

Return completed form and supporting documentation to: Michigan Department of Treasury
Tobacco Tax Unit
PO Box 30791
Lansing, MI 48909

Compensation for Certain Cigarette Case Packers and Conveyors (as of September 30, 2014)

Michigan law was recently amended to provide for reimbursement to stamping agents who purchase cigarette case packers and conveyors that qualify under the conditions described in the new law. That law, 2014 PA 298, provides at MCL 205.427(3)(d)(i) – (iii):

Compensation under this subdivision may also be claimed by a stamping agent for the direct costs actually incurred by the stamping agent, as determined by the department and reflected in the net purchase price, **for the initial and 1-time purchase** of case packers or similar machines or conveyors as follows:

- (i) Case packers or similar machines to be used **exclusively** to repack cigarette cartons into case boxes after digital stamps have been applied by eligible equipment to the individual packages of cigarettes contained within those cigarette cartons. *Compensation under this subparagraph may only be claimed by a stamping agent if the case packers or similar machines are in addition to, and not a replacement for, 1 or more case packers or similar machines used in connection with cigarette stamping machines which do not use the digital stamp authorized under this act.*
- (ii) Conveyors to be used **exclusively** for that portion of a cigarette stamping line that is necessary for and dedicated to cigarette stamping operations using eligible equipment to affix digital stamps to individual packages of cigarettes to be sold in this state. *Compensation under this subparagraph may only be claimed by a stamping agent if the cigarette stamping line served by the conveyors is in addition to 1 or more distinct and existing cigarette stamping lines using stamping machines which do not use the digital stamp authorized under this act and that compensation shall not exceed a total of 50% of the amount reimbursed under subdivision (e) for any particular stamping agent.*
- (iii) Compensation under subparagraphs (i) and (ii) shall also include any applicable sales or use taxes paid, and shipping and crating charges actually incurred, by the stamping agent in connection with the purchase, but **shall exclude** any other costs incurred by the stamping agent not otherwise expressly provided for in this subdivision, including, but not limited to, charges for installation and ongoing maintenance. [Emphasis added.]