



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-20-05

June 29, 2020

NOTICE TO TOBACCO MANUFACTURERS, WHOLESALE DEALERS & RETAILERS

House Bill 1486 as passed during the 2020 Regular Session of the Mississippi Legislature amends the State Tobacco Tax Law Section 27-69-9 to provide that no manufacturer or wholesaler dealer shall sell, offer to sell or deliver any tobacco products for any consideration other than cash or on terms. Retail dealers of tobacco products, likewise, shall not buy or accept delivery of such products for any consideration other than cash or on terms.

The law further requires that if payment is not received by the vendor from the retailer when due or if payment is returned for insufficient funds, the vendor shall, within five (5) business days, notify the commissioner of the Mississippi Department of Revenue. After receipt of such notification the Commissioner shall promptly notify all manufacturers and wholesalers in the state of the default in payment and require that no person, thereafter, shall sell any tobacco products to the person in default for any terms other than cash on delivery, until otherwise authorized by the commissioner.

In addition: this Act also establishes the following penalties and provisions for violation of this section:

- Any retailer who is in default shall pay his obligation in full within thirty (30) days from the date it became due or be subject to suspension of his tobacco permit for a period not to exceed thirty (30) days;
- The failure of a retailer to make payment for any default before the expiration of his suspension period shall constitute a separate offense and be subject to an additional suspension of his tobacco permit;
- The commissioner may permanently revoke the permit of any permittee who is suspended for default in payment for six (6) months in any twelve (12) month period;
- The Commissioner may additionally require a retailer dealer previously in default to make payment in cash for all tobacco products subsequently sold or delivered to him.
- All manufacturers, wholesalers, and distributors having a permit required by the tobacco tax law shall be notified by the Commissioner of any suspended or revoke tobacco permit(s) with instructions that such manufacturer, wholesaler or dealer is prohibited from selling any taxable tobacco to such retailer or dealer;
- Any permittee that violates the provisions of Section 27-69-9 concerning the sale, offer for sale or delivery of tobacco products or the purchase or acceptance of tobacco products for any consideration other than cash or on terms may have his permit suspended for a period not to exceed thirty (30) days.

This act shall take effect and be in force from and after July 1, 2020.

The MDOR is currently working to automate all reporting, notices, suspensions and revocations utilizing the TAP system. Until available on TAP, vendors may file notices of default in payment by retailers for processing at : tobacco@dor.ms.gov

If you have any questions, please contact the Sales Tax Department at 601-923-7015 or send emails to: ronnie.lynch@dor.ms.gov