

Form TT-8 Virginia Tobacco Products Tax Return And Instructions

For Periods on or After January 1, 2011 but prior to June 1, 2011

- Form TT-8 has been revised for 2011 to accommodate varying tax rates for Other Tobacco Products (OTP). It is printed on legal paper (8½" X 14"). Be sure to include this page with your signed declaration, or print this and the return page on both sides of the page.
- You must register for Tobacco Products before filing Form TT-8. Other Tobacco Products ("OTP") distributors making taxable purchases of roll-your-own (RYO) tobacco, and who are not currently registered as a cigarette stamping agent, are required to apply for a dual registration permit as both an OTP distributor and a cigarette stamping agent.
- To register, complete Form TT-1, Application for Cigarette Stamping Permit and Tobacco Products Tax Distributor's License, and Schedule A which are also available on our website: **www.tax.virginia.gov**.
- Attached are instructions and a tax return for you to use to remit your Tobacco Products Tax, commonly referred to as the Other Tobacco Products Tax or "OTP" tax.
- Please complete the return, detach it at the dotted line, and mail it with your payment, payment voucher (Form TT-8V) and signed declaration to the address shown below.
- You are required to file a return with the Virginia Department of Taxation even if no tax is due. If no tax is due, do not enclose the payment voucher, Form TT-8V.
- Mail completed return and payment voucher, if required to:

**Virginia Department Of Taxation
Other Tobacco Products
P.O. Box 26627
Richmond VA 23261-6627**

For assistance, please call us at **(804) 371-0730** or write to the **Virginia Department of Taxation, P.O. Box 715, Richmond, VA 23218-0715**. You can obtain most Virginia tax forms from our website: **www.tax.virginia.gov** or by calling the Department's Forms Request Unit at **(804) 367-8037**.

Declaration and Signature

I declare that this return has been examined by me and to the best of my knowledge and belief is true, correct and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

Taxpayer's Signature		Date	Phone Number
Signature of Preparer	Individual or Firm of Tax Preparer	Date	Preparer's Phone Number
Preparer's Address			Preparer's FEIN, PTIN or SSN

Instructions for Form TT – 8 Virginia Tobacco Products Tax Return

Purpose

Form TT-8, Virginia Tobacco Products Tax Return (OTP), must be filed monthly by any person engaged in the business as a tobacco distributor who purchases tobacco products for sale in the Commonwealth. Payment of the OTP tax is due with the return.

A distributor is liable for the OTP tax if they are engaged in the business of selling tobacco products in the Commonwealth or if they bring into the Commonwealth any untaxed tobacco products for sale to retail dealers in the Commonwealth. Any retail dealer in the Commonwealth in possession of untaxed tobacco products is liable for the OTP tax when the tobacco products are purchased.

The tax is due in the month the product is sold to a Virginia retailer. The tax is based on the distributor's purchase price of the products sold, or in the case of moist snuff and loose leaf tobacco, the weight of the products sold. The tax is assessed on, and is the responsibility of, the wholesale distributor, not the distributor's retail customer.

Distributors and retailers purchasing tax-paid products are not liable for any additional OTP tax on those purchases.

Note: Cigarettes are not subject to the OTP tax.

When to File

Form TT -8 and your OTP tax payment are due on the twentieth of the month for sales/purchases of untaxed OTP made and sold in Virginia during the preceding month. A return must be filed even if no tax is due.

Where to File

Mail your Form TT-8 with payment to:

Virginia Department of Taxation
Other Tobacco Products Tax
P.O. Box 26627
Richmond, VA 23261-6627

Definitions

Loose Leaf Tobacco: Any leaf tobacco that is not intended to be smoked (chewing tobacco), but does not include Moist Snuff.

Manufacturer's Sales Price: The actual price for which a manufacturer, or other person, sells OTP to an unaffiliated distributor or retailer. If a distributor is unable to determine the manufacturer's sales price, he may use his purchase price (prior to any discounts) of the tobacco products to compute the tax liability.

Moist Snuff: Any finely cut, ground or powdered tobacco that is not intended to be smoked but does not include any such tobacco that is intended to be placed in the nasal cavity. Moist Snuff includes items such as snus and dissolvable tobacco products.

Tax Rates

Other tobacco products are taxed at different rates, depending on the product.

Cigars, Pipe Tobacco, Roll Your Own (RYO) and "Other": Ten percent (10%) of the manufacturer's sales price.

Moist Snuff: \$.18 per ounce, based on net weight. There is a proportionate tax at the same rate on all fractional parts of an ounce.

Loose Leaf Tobacco: \$.21 for each unit less than 4 ounces; \$.40 for each unit at least 4 ounces but not more than 8 ounces; \$.70 per unit at more than 8 ounces but not more than 24 ounces. Units that exceed 24 ounces are taxed by net weight at \$.21 per unit plus \$.21 for each increment of 4 ounces, or portion thereof that exceeds 24 ounces.

All products taxed by weight are based on the weight of the consumer sized unit produced by the manufacturer to be sold to consumers as a single unit and containing one individual package.

Line Instructions

Taxpayer Information: Complete the taxpayer information at the top of the form:

- **Permit Number:** Five-digit license number issued by the Department of Taxation.

Lines 1 through 4: The tax on the first four categories of OTP is 10% of the purchase price of those products net of any adjustments.

Products subject to the ten percent tax are:

- Cigars
- Pipe tobacco (includes hookah tobacco)
- Roll-your-own tobacco
- "Other" tobacco

For purposes of Form TT-8, the "Other" category includes items such as dry snuff, plug tobacco and twist tobacco.

Line 1 through Line 4 (10% tax rate):

Line a – Total Sales (dollars): Total Manufacturer's Sales Price of taxable OTP sold in Virginia during the month. Taxable OTP sales do not include sales to other Virginia licensed distributors or to entities of the federal government.

Line b – Adjustments: Taxable sales/purchases may be adjusted to account for the following transactions:

-Less OTP sold but previously taxed when purchased by the distributor;

-Less previously taxed OTP returned to the distributor;

Total adjustments may not exceed total taxable transactions. Excess adjustments may be carried over to the following month's return. Please indicate negative adjustments by using [brackets].

Line c - Net Sales/Purchases (dollars): Line a plus or minus adjustments made on Line b.

Line d – Tax Due: Multiply Line c by .10 (10%) and enter result.

Line 5 - Moist Snuff: The tax on moist snuff is based on the weight of product sold during the reporting month. Sales/purchases and adjustments are reported in ounces. Adjustments are made to total sales/purchases, in ounces, during the month. Adjustments may be made for the same reasons stated for Lines 1 through 4.

Line d – Tax Due: Multiply net sales/purchases by \$0.18 and enter the result.

Line 6 through Line 9 - Loose Leaf: The tax on loose leaf tobacco is also based on weight of product sold/purchased during the reporting month, but varies according to the weight of the unit. Sales/Purchases and adjustments are reported in units. Adjustments are made to total sales/purchases, in units, during the month. Adjustments may be made for the same reasons stated for Lines 1 through 4.

Line 6 d – Tax Due: Multiply net sales/purchases, in units, by \$.21 and enter the result.

Line 7 d – Tax Due: Multiply net sales/purchases, in units, by \$.40 and enter result.

Line 8 d – Tax Due: Multiply net sales/purchases, in units, by \$.70 and enter result.

Line 9 d – Tax Due: For each unit, calculate the tax by adding \$.21 plus \$.21 for each increment of 4 ounces, or portion thereof, that the unit exceeds 16 ounces. Add together the tax due for each unit and enter the result on Line 9d.

Line 10 - Tax Due: Enter the sum of the tax dues reported on Line d for each of the 9 OTP categories.

Line 11 - Penalty: A penalty of five percent (5%) of the tax due is charged for the first month, or fraction thereof, the return or payment is late. An additional penalty of two percent (2%) is charged for each additional month, or fraction thereof, the return or payment is late. The maximum penalty for late filing or payment is 20%.

Line 12 – Interest: Interest is charged if you pay the tax after the due date. Interest is computed on the tax due at the rate established in Sec. 6621, IRS Code, plus 2% from the due date until the date paid.

Line 13 - Total Due: Add amounts on Line 10, Line 11 and Line 12 and enter the total on Line 13. Make your check payable to the Virginia Department of Taxation.

Declaration and Signature: The taxpayer filing the return must sign and date the form in the signature block on the return. If a paid preparer completed the return, the preparer must also sign the return and provide the requested information on the return.

Form TT-8V: If you are making an OTP tax payment, complete Form TT-8V and enclose it with your Form TT-8 and your check.

Recordkeeping

Each distributor must keep complete and accurate records to support the amounts being reported on the Form TT-8. Records include itemized invoices of tobacco products purchased and brought into the Commonwealth for sale in the Commonwealth and shipped or transported to retailers in the Commonwealth. Records should include all sales, purchase and disbursement journals, other books of original entry, general ledgers, and other records required to calculate, verify, and document adjustments claimed and taxes paid. The Virginia Department of Taxation may enter any place of business during normal business hours to inspect the books and records.

All such books and records must be preserved for a period of at least three years from the due date of the return.

If a person liable for the OTP tax fails or refuses to file a correct and proper return, TAX may make an estimate of the amount of tax due from any information in its possession and assess taxes, penalties and interest due the Commonwealth by such taxpayer.

Additional Information: Additional information, including the Other Tobacco Product Guidelines and Form TT-8, is available on Tax's website at www.tax.virginia.gov.

Contact Information:

Phone: 804-371-0730

Email: TobaccoUnit@tax.virginia.gov

Mail: Tobacco Unit
P.O. Box 715
Richmond, VA 23218-0715