



# INSTRUCTIONS FOR MICHIGAN TOBACCO PRODUCTS TAX RETURN

## GENERAL INFORMATION

In accordance with P.A. 327 of 1993, every wholesaler, unclassified acquirer, transporter and transportation company is required to file a *Michigan Tobacco Products Tax Return* with the Michigan Department of Treasury on or before the 20th day of each month for the previous reporting month. You must file a return even if no tax is due.

Your return may be audited. Keep a copy of your return and all supporting documents for four years.

**CIGARETTES:** Purchases from non-participating manufacturers ("Non-Participating Manufacturer" means any Tobacco Product Manufacturer who is not a signor to the Master Settlement Agreement) should be reported on Schedule K (form 3669). Computations on all forms must be made using the number of individual cigarettes. For example: report 120,000 cigarettes and not 10 cases or 600 cartons.

**OTHER TOBACCO PRODUCTS (OTP):** Computations must be based on 16 percent of the wholesale price of each OTP.

OTP include cigars, noncigarette smoking tobacco (tobacco sold in loose or bulk form that is intended for consumption by smoking), and smokeless tobacco (snuff, chewing tobacco, and any other tobacco that is intended to be consumed by means other than smoking). "Roll-your-own" products purchased from Non-Participating Manufactures should be reported on Schedule K (form 3669).

The "**wholesale price**" is defined as the actual price paid for a tobacco product, including any tax, by a wholesaler to a manufacturer, excluding any discounts or reductions.

## LINE - BY - LINE INSTRUCTIONS

Lines not listed are explained on the form.

**Note: Lines 2, 3, 4 and 9 - 22 must be completed by all filers.**

### Instructions for Wholesalers

The cigarette tax and OTP tax are computed on sales made in Michigan each month.

**Line 1:** Enter the number of tax-unpaid cigarettes on hand at the beginning of the month in column I. **This must be an actual physical count.** Enter the wholesale price of all tax-unpaid OTP on hand at the beginning of the month in column II.

**Line 2:** Enter the total number of cigarettes shown on Schedule A, *Report of All Tobacco Products Acquired by Wholesalers or Imported by Unclassified Acquirers*, and/or Schedule F, *Imports Into Michigan by a Licensed Wholesaler*, in column I. Enter the wholesale price of OTP shown on Schedule A and Schedule F.

**Line 4:** Enter the total number of cigarettes shown on Schedule C(R), *Unsalable Returns to Manufacturers*, in column I. Enter the wholesale price of OTP shown on Schedule C(R) in column II.

**Line 5:** Enter the total number of cigarettes shown on Schedule C(T), *Sales, Transfers or Salable Returns Outside of Michigan*, in column I. Enter the wholesale price of OTP shown on Schedule C(T) in column II.

**Line 6:** Enter the total number of cigarettes shown on Schedule B, *Sales to U.S. Agencies*, in column I. Enter the wholesale price of OTP shown on Schedule B in column II.

**Line 7:** Enter the number of tax-unpaid cigarettes on hand at the end of the month from Schedule E, *Physical Inventory of Cigarettes in Michigan*, in column I. **This must be an actual physical count.** Enter the wholesale price of tax-unpaid OTP on hand at the end of the month from Schedule E in column II.

**Line 12:** Multiply line 11a by 1.25% (.0125) and enter here.

**Line 13:** Multiply line 11b by 1% (.01) and enter here.

**NOTE:** The amounts entered on lines 12 and 13 are the amounts of compensation allowed to licensees and apply only to those paying tax directly to Treasury.

**Line 18:** If applicable, enter the amount prepaid as required by Treasury.

**Line 20:** Enter the total stamped packs sold by denomination from Schedule J, line 6.

**Line 21:** Enter the total number of cigarettes shown on Schedule G, *Tax-Paid Purchases From Other Wholesalers*, in column I. Enter the wholesale price of OTP shown on Schedule G in column II.

**Line 22:** Enter the total number of cigarettes shown on Schedule D, *Tax-Paid Sales to Other Licensees*, in column I. Enter the wholesale price of OTP shown on Schedule D in column II.

**Line 23:** Enter the total number of cigarettes shown on form 373, (formerly C-1586), *Sales to Authorized Indian Communities*, in column I. Enter the wholesale price of OTP shown on form 373, in column II.

### Instructions for Unclassified Acquirers

The cigarette tax and the OTP tax are computed at the time the product is imported into Michigan (at time of purchase by in-state companies).

**Line 2:** Enter the total number of cigarettes shown on Schedule A in column I. Enter the wholesale price of OTP shown on Schedule A in column II. Complete Schedule K (form 3669) for roll-your-own tobacco products and cigarettes purchased from Non-Participating Manufacturers.

**Line 8: Tax unpaid cigarettes or other tobacco products sold to Michigan licensed wholesalers - only to be filed by Unclassified Acquirer - importers located outside of Michigan.**

**Line 22:** For **out-of-state** Unclassified Acquirers list all sales to Michigan customers. Enter the total number of cigarettes shown on Schedule D in column I. Enter the wholesale price of OTP shown on Schedule D in column II.