

R865. Tax Commission, Auditing.

R865-20T. Tobacco Tax.

R865-20T-5. Bonding Requirements For Cigarette and Tobacco Products Dealers Pursuant to Utah Code Ann. Sections 59-14-201 and 59-14-301.

(1) Dealers who only sell tobacco products upon which the taxes imposed by this act have been paid by a previous seller are not required to post a bond.

(2) Subject to Subsections (3) and (4), the commission shall calculate the amount of a bond required under Title 59, Chapter 14, Cigarette and Tobacco Tax and Licensing ("Chapter 14"), on the basis of:

(a) for an applicant:

(i) commission estimates of the applicant's tax liability under Chapter 14; and

(ii) the amount of a tax owed under Chapter 14 by any of the following:

(A) the applicant;

(B) a fiduciary of the applicant; and

(C) a person for which the applicant is required to collect, truthfully account for, and pay over a tax under Chapter 14; and

(b) for a licensee:

(i) commission estimates of the licensee's tax liability under Chapter 14; and

(ii) the amount of a tax owed under Chapter 14 by any of the following:

(A) the licensee;

(B) a fiduciary of the licensee; and

(C) a person for which the licensee is required to collect, truthfully account for, and pay over a tax under Chapter 14.

(3) If the commission determines it is necessary to ensure compliance with Chapter 14, the commission may require a licensee to increase the amount of a bond filed with the commission.

(4) A licensee that does not purchase cigarette stamps on credit may not make any single purchase of cigarette stamps that exceeds 90% of the amount of the bond the licensee has filed with the commission.

KEY: taxation, tobacco products

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Notice of Continuation: January 3, 2012

Authorizing, and Implemented or Interpreted Law: 59-14-102; 59-14-202; 59-14-203.5; 59-14-204 through 59-14-206; 59-14-210; 59-14-212; 59-14-301 through 59-14-303; 59-14-401; 59-14-404; 59-14-603; 59-14-607