



## State of Utah

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Governor

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Lieutenant Governor

## Utah State Tax Commission

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Commissioner

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Commissioner

SCOTT W. SMITH  
Executive Director

June 11, 2021

Name  
Address  
City, State Zip

RE: Cigarette and Tobacco License  
Letter ID #: License SR

Dear «Name»:

The Auditing Division is reviewing recently issued cigarette and tobacco licenses. We believe your license may be misclassified as a retailer's license instead of a distributor's license. An out-of-state e-cigarette company without a Utah location should not be licensed as a retailer. Your cigarette and tobacco license may need to change to comply with Utah law.

When e-cigarettes became taxable on July 1, 2020, distributors became responsible for the tax on e-cigarettes. Distributors are required to post a bond, collect the tax, and file quarterly returns. If you sell e-cigarette products to Utah retailers, you need to become a licensed distributor and post a bond with the Utah State Tax Commission.

### ***What you should do:***

Review your Utah e-cigarette products sales from July 1, 2020, to March 31, 2021, to determine who your Utah customers are and whether your customers are licensed for e-cigarette products as a distributor or retailer. You may need to contact your customers to verify their license classification. If any of your Utah customers have a Utah tobacco/e-cigarette retailer's license, you will need to become licensed as a distributor and do the following by **July 12, 2021**:

1. To become licensed as a Utah distributor, follow the instructions outlined in the **Checklist & Questionnaire**.
2. Review your purchase invoices from July 1, 2020, to March 31, 2021, and list all Utah purchases for the period on the **Purchases Worksheet** and total by quarter. Enter the quarterly totals on the **Worksheet** to calculate tax and interest due. We recommend using the Excel versions of the **Purchases Worksheet** and **Worksheet** available on our website at [tax.utah.gov/selfreview/e-cigarette-products](http://tax.utah.gov/selfreview/e-cigarette-products).
3. Complete the **Summary**. If additional tax and interest are due, make the check payable to the Utah State Tax Commission.

Complete and return all of the enclosed documents (**Checklist & Questionnaire, Purchases Worksheet, Worksheet, Summary**, and payment of tax due) in the envelope provided or email the documents to [shaneduvall@utah.gov](mailto:shaneduvall@utah.gov).

If your records show you do not need to become licensed as a distributor and do not owe any additional tax, complete the **Summary**. In Section D of the **Summary**, indicate why you do not owe tax. Return your response by email to [shaneduvall@utah.gov](mailto:shaneduvall@utah.gov) or by mail in the enclosed envelope by **July 12, 2021**.

The documents you submit are subject to auditor verification. As a result, you will need to maintain the backup documentation to support the amounts you report. Any tax self-reported and paid is subject only to interest. If you do not respond to this notice, we may contact you to schedule an audit.

**Questions:**

If you have any questions, need additional time, or your Utah customers are licensed Utah distributors, contact Shane Duvall by phone at 801-518-0635 or by email at [shaneduvall@utah.gov](mailto:shaneduvall@utah.gov). Further information is available on our website at [tax.utah.gov/selfreview/e-cigarette-products](http://tax.utah.gov/selfreview/e-cigarette-products).

Thank you for your prompt attention and cooperation regarding this matter.

Respectfully,

*John Manning*

John Manning  
Tax Audit Manager

Enclosures