Application for Compensation for Certain Upgrades to Cigarette Tax Stamping Technology and Equipment

Issued under authority of Public Act 327 of 1993.

INSTRUCTIONS: Under Michigan law, an eligible stamping agent may be compensated for certain upgrades to technology and equipment that are necessary to affix digital cigarette tax stamps. By law, the amount of the compensation is 0.5% of the tax due on the stamping agent's sales of Michigan-stamped cigarettes each month. See the description on page 2 of upgrades to technology and equipment that the Michigan Department of Treasury has determined to be eligible for compensation. The list of eligible upgrades on page 2 is not comprehensive, so contact the Tobacco Tax Unit at (517) 636-4630 if you have questions concerning your eligibility for compensation concerning other upgrades to technology and equipment.

PART 1: STAMPING AGENT INFORMATION

Name of Stamping Agent (include d/b/a if applicable)			Account Number (FEIN, ME, or TR)
Street Address 1			License Number
Street Address 2			Daytime Telephone Number
City	State	ZIP Code	Fax Number

PART 2: QUALIFICATION FOR COMPENSATION UNDER MCL 205.427(3)(d)

Have you purchased a digital cigarette tax stamping machine for the primary purchase of affixing digital stamps to individual packs of cigarettes? ☐ Yes ☐ No	When was your digital cigarette tax stamping machine implemented? (mm/dd/yyyy)

PART 3: COMPENSATION FOR UPGRADES TO TECHNOLOGY AND EQUIPMENT

For each item for which you are seeking compensation, complete the information below. You must attach supporting documentation for all costs for which you are seeking compensation, including copies of itemized invoices. Failure to provide the documentation may result in delay or denial of your request. Attach additional sheets as needed. If you have questions call the Tobacco Tax Unit at (517) 636-4630.

Description of Item Purchased	Serial Number (if applicable)	Date of Purchase	Cost of Item Purchased	Sales/Use Tax	Shipping (if applicable)	Total Reimbursement Requested
1.						
2.						
3.						
4.						
					GRAND TOTAL	

PART 4: CERTIFICATION BY STAMPING AGENT

I declare under penalty of perjury that the information on this form is true and complete to the best of my knowledge.

Name of Officer, Member, Partner or Authorized Agent (print or type)	
Signature of Officer, Member, Partner or Authorized Agent	Date

For assistance contact the Tobacco Tax Unit at (517) 636-4630.

Return completed form and supporting documentation to: Michigan Department of Treasury
Tobacco Tax Unit
PO Box 30474
Lansing, MI 48909

I. ELIGIBLE Upgrades to Technology and Equipment — Reimbursable Expenses (as of August 1, 2014)

1. **Hand Stamping Machine (Digital Stamp Only):** Manually affixes a digital stamp to cigarette packs where the automated digital stamping machine cannot affix the digital stamp to a particular pack of cigarettes (e.g., irregular size pack) and/or if the stamping agent does not have an automated digital stamping machine.

2. **Hand Stamping Equipment (Digital Stamp):** A "station" for manually affixing digital stamps (with corresponding scan and data reporting functions) which may consist of the following: (i)UPC & QR compatible scanner; (ii) hand-stamping device (same as Item #1 above); (iii) key board and mouse; and (iv) computer touch screen (with related software). See item 7 in section II below for certain hand stamping equipment that is not eligible for compensation.

3. **220v Electrical Wiring, Connections and Related Installation Costs:** 220v electrical service is required to operate automated digital stamping machines.

4. **Internet Connection and Related Network:** A key part of a digital stamping program is the ability of a digital stamping machine (automated or hand-stamp) to communicate with the State's/Xerox's server(s) for data receipt and transmission. (Any connection speed is sufficient for digital stamping so costs for increasing the speed of an existing service is not an "upgrade" compensable under this section.)

5. **Air Compressor:** Automated digital stamping machines require dry, pressurized air.

NOTE: Upgrades to technology or equipment will be eligible for compensation provided that (1) the stamping agent has existing related technology/equipment which is being "upgraded," (2) the costs are directly related to the proper operation of a digital stamping machine, and (3) the costs otherwise meet the statutory requirement under MCL 205.427(3)(d).

II. INELIGIBLE Upgrades to Technology and Equipment — Non-reimbursable Expenses (as of August 1, 2014)

1. **Feed/Intake Conveyors or Ramps:** Conveyors or ramps used to supplement the intake conveyor/ramp that is part of a stamping machine by moving boxes/cartons of unstamped cigarettes to the stamping machine before stamping.

2. **Takeaway/Outtake Conveyors or Ramps:** Conveyors or ramps used to move boxes/cartons of stamped cigarettes from a stamping machine to other operations.

3. **Fireproof Safe for Digital Stamp Storage:** Used for securing and storing the rolls of 30,000 digital stamps used in automated digital stamping machines.

4. **Cigarette Case Packer:** Re-packs cigarette cartons into case boxes or totes after the cigarettes have been stamped.

5. **Automated Case Splitter:** Automatically differentiates a 12M (60 carton) case from all others and diverts the correct size box into the splitting station where it is split, and each half is presented with the cut-open side up to the rest of the operation.

6. **Other Conveyors:** Transport boxes/cartons from one machine to another and from one location to another within the facility.

7. **Hand Stamping Station (Digital Stamp):** The part of the "station" for manually affixing digital stamps that consists of the following: (i) table; (ii) rolling cabinet; and (iii) storage safe. See item 2 in Section I for certain hand stamping equipment that is eligible for compensation.

8. **Automated Case/Box Cutting Machine:** Cuts cigarette case boxes open (e.g., removing the box top) so cartons can be accessed or removed prior to stamping.

9. **Packing Tables (In-feed):** May be used when unpacking cartons prior to stamping.

10. **Angle Tables (Out-feed):** May be used to repack cartons after stamps applied.