



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

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STATE TREASURER

NOTICE REGARDING PREMIUM CIGARS

Please note that the Michigan law concerning the tax rate on premium cigars has changed. Effective November 1, 2012, cigars that cost \$1.5625 or more each will be taxed at a rate of 50 cents per cigar. Cigars that cost less than \$1.5625 each will continue to be taxed at 32% of the wholesale price of the cigars.

This change in Michigan law also means that modifications must be made to the Manufacturer, Wholesaler and Unclassified Acquirer tax returns for the tax periods beginning November 1, 2012. Note that licensees who file by ASCII/Excel spreadsheets will have the opportunity to have their file tested prior to their first filing of the new tax returns. More information can be found on the Log-In page at www.michigan.gov/tobaccotaxes.

Finally, note that this change in Michigan law also requires a retailer who is licensed as an Unclassified Acquirer (retail importer of tobacco products other than cigarettes) to post a sign visible to the public inside the retail establishment that informs purchasers of cigars through catalog sales or internet sales of their responsibility to pay all applicable unpaid state taxes on those cigars. This requirement also takes effect November 1, 2012.