

Michigan Tobacco Products Tax Return

For Untaxed Cigarettes, Premium Cigars and Other Tobacco Products

TAXPAYER INFORMATION			
Name		Social Security Number	
Address	City	State	ZIP Code
TAX CALCULATION			
COLUMN A DATE ACQUIRED	COLUMN B TOBACCO VENDOR	COLUMN C AMOUNT	COLUMN D TOBACCO TAX
PART 1: 20-Cigarette Packs		(# of Packs)	(Multiply Column C by \$2.00)
PART 2: 25-Cigarette Packs		(# of Packs)	(Multiply Column C by \$2.50)
PART 3: Other Quantities of Cigarettes		(# of Cigarettes)	(Multiply Column C by \$0.10)
PART 4: Premium Cigars (See instructions for Premium Cigar Determination)		(# of Premium Cigars)	(Multiply Column C by \$0.50)
PART 5: Other Tobacco Products (OTP)		(Wholesale Price - see instructions)	(Multiply Column C by 32%)
TOTAL TOBACCO TAX DUE			
<p>Use Tax: Michigan Use Tax is also due on the “purchase price” (as defined in MCL 205.92) which may include shipping and handling of all cigarette and tobacco products obtained from Internet or Mail Order providers where no sales or use tax was collected. Individuals should report and remit the 6% use tax due on their annual Michigan Individual Income Tax Return.</p> <p>Interest: Treasury will calculate any interest that may be due and notify you by letter. Treasury will calculate any interest and penalty that may be due and notify you by letter.</p>			
CERTIFICATION			
<i>I declare, under penalty of perjury, that the information reported is true and complete to the best of my knowledge.</i>			
Signature		Date	Phone Number

Direct questions to the Tobacco Tax Enforcement Unit at 517-636-0680. Assistance is available using TTY through the Michigan Relay Service by calling 711.
Make checks payable to “State of Michigan.”

Complete and sign this return, and mail to:
Discovery and Tax Enforcement Division
Michigan Department of Treasury
PO Box 30140
Lansing MI 48909

Instructions for Completing Form 4096C, Michigan Tobacco Products Tax Return

This form is provided to report and pay the applicable Michigan tobacco taxes on purchases of cigarettes, premium cigars and Other Tobacco Products (OTP) by Michigan residents from the Internet or Mail Order providers. OTP includes cigars, chewing tobacco, pipe tobacco, loose tobacco (roll your own) and snuff. Please refer to the Consumer Warning on page 2 of these instructions.

The reporting form is separated into five parts:

- 1) The first three parts are used to report cigarettes by various packaging configurations of 20-Cigarette Packs, 25-Cigarette Packs, and Other Quantities of Cigarettes (packs that contain less than 20 cigarettes are reported per cigarette).
- 2) The fourth part is to report Premium Cigars.
- 3) The fifth part is to report Other Tobacco Products.

Tax Rates:

Cigarettes are taxed at the rate of 10 cents (\$0.10) per cigarette (i.e., \$2.00 per pack of 20 cigarettes, and \$2.50 per pack of 25 cigarettes). Premium Cigars are capped at \$0.50 per cigar. (See Note 1.) OTP is taxed at 32% of the wholesale price. (See Note 2.)

NOTE 1: Premium Cigars are any individual cigar that has a wholesale price of \$1.5625 or greater.

NOTE 2: Determine wholesale price for OTP by multiplying the retail price paid for the OTP (less shipping and handling) by 50%. Example: Taxpayer A pays \$20.00 (retail) for chewing tobacco. Wholesale price is \$10.00 (\$20.00 x 50%).

Use Tax

Michigan Use Tax is also due on tobacco products purchased from Internet or Mail Order vendors. Use tax is calculated at 6% (0.06) of the total "purchase price" (as defined in MCL 205.92) which may include shipping and handling. The use tax is to be reported on the taxpayer's annual "Individual Income Tax Return" (MI-1040).

Remittance

Make your check payable to the "State of Michigan." Forward your completed return with payment to the Discovery and Tax Enforcement Division, at the address identified on the form.

Form 4096C Line-by-Line Instructions:

Enter purchaser's name, address, city, state, ZIP code and Social Security number on the lines provided.

Part 1: 20-Cigarette Packs

Column A: Enter date of purchase.

Column B: Enter name of the tobacco vendor.

Column C: Convert cartons to packs and enter total packs. A carton of 20-Cigarette Packs contains 10 packs of cigarettes.

Column D: Multiply Column C times the tax rate (\$2.00 per pack) and enter total.

Part 2: 25-Cigarette Packs

Column A: Enter date of purchase.

Column B: Enter name of the tobacco vendor.

Column C: Convert cartons to packs and enter total packs. A carton of 25-Cigarette Packs contains 10 packs of cigarettes.

Column D: Multiply Column C times the tax rate (\$2.50 per pack) and enter total.

Part 3: Other Quantities of Cigarettes

Column A: Enter date of purchase.

Column B: Enter name of the tobacco vendor.

Column C: Convert packs with less than 20 cigarettes to individual cigarettes and enter total cigarettes.

Column D: Multiply Column C times the tax rate (\$0.10 per cigarette) and enter total.

Part 4: Premium Cigar

Column A: Enter date of purchase.

Column B: Enter name of the tobacco vendor.

Column C: Enter the number of individual premium cigars.

Column D: Multiply Column C times the tax rate (\$0.50 per premium cigar) and enter total.

Part 5: OTP

Column A: Enter date of purchase.

Column B: Enter name of the tobacco vendor.

Column C: Multiply the retail purchase price of the OTP (less shipping and handling) by 50% (to determine the approximate wholesale price) and enter total.

Column D: Multiply Column C times the tax rate (32%) and enter total.

The taxpayer will use Form 4096C to compute the tobacco tax as outlined below. In the example, there is a brief explanation on how to complete Column C and Column D for each type of product.

TAX CALCULATION			
COLUMN A DATE ACQUIRED	COLUMN B TOBACCO VENDOR	COLUMN C AMOUNT	COLUMN D TOBACCO TAX
PART 1: 20 Cigarette Packs		(# of Packs)	(Multiply Column C by \$2.00)
8/7/2013	Company B	150 packs	\$ 300.00
Explanation: Fifteen cartons of 20-cigarette packs contains 150 packs (10 packs per carton x 15 cartons). To calculate the tobacco tax, multiply the number of packs by \$2.00 (150 packs x \$2.00 = \$300.00).			
PART 2: 25-Cigarette Packs		(# of Packs)	(Multiply Column C by \$2.50)
8/7/2013	Company B	50 packs	\$ 125.00
Explanation: Five cartons of 25-cigarette packs contains 50 packs (10 packs per carton x 5 cartons). To calculate the tobacco tax, multiply the number of packs by \$2.50 (50 packs x \$2.50 = \$125.00).			
PART 3: Other Quantities of Cigarettes		(# of Cigarettes)	(Multiply Column C by \$0.10)
8/7/2013	Company B	96 cigarettes	\$ 9.60
Explanation: Eight packs containing 12 cigarettes per pack is 96 cigarettes (8 x 12 = 96 cigarettes). To calculate the tobacco tax, multiply the number of cigarettes by \$0.10 (96 cigarettes x 0.10 = \$9.60).			
PART 4: Premium Cigars		(# of Premium Cigars)	(Multiply Column C by \$0.05)
8/7/2013	Company B	5 premium cigars	\$ 2.50
Explanation: To calculate the tobacco tax, multiply the number of cigars (in this example, 5) by \$0.50 (5 x \$0.50 = \$2.50).			
PART 4: Other Tobacco Products (OTP)		Wholesale Price (See Instructions)	(Multiply Column C by \$0.32)
8/7/2013	Company B	\$ 10.00	\$ 3.20
Explanation: Four packages of chewing tobacco are purchased for \$20.00. To calculate the Wholesale Price, multiply the purchase price by 50% (\$20.00 x 50% = \$10.00). To calculate the tobacco tax, multiply the Wholesale Price by 32% (\$10.00 x 0.32 = \$3.20).			
TOTAL TOBACCO TAX DUE			\$ 440.30
Explanation: To calculate the Total Tobacco Tax Due, add up all amounts in Column D (\$ 300.00 + \$ 125.00 + \$ 9.60 + \$ 2.50 + \$ 3.20 = \$440.30).			

CONSUMER WARNING: It is illegal to purchase tobacco products through the mail or over the Internet unless that tobacco product is to be sold through a Michigan tobacco tax licensed wholesaler or unclassified acquirer (other than a manufacturer). Further, it is illegal for a consumer to possess cigarettes within Michigan unless each package of cigarettes has a Michigan Cigarette Stamp on the package. This includes but is not limited to tobacco products received as a gift or purchased in states outside Michigan, in foreign countries, on United States Military Facilities, or in Indian country (including reservations and trust lands).

The State of Michigan provides this form to assist you in the payment of a required tobacco products tax. Payment of the required tobacco products tax does not make legal the otherwise illegal possession of the tobacco products. Possession of unstamped, or otherwise contraband tobacco products may constitute a crime whether the tax has been paid or not. The possession of any contraband tobacco product subjects you to a penalty equal to 500 percent of the tobacco tax due and may include criminal prosecution. Further, the tobacco products themselves are contraband and subject to seizure.