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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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NOTICE REGARDING BRAND IDENTIFICATION ON SHIPPING PAPERS AND INVOICES

This notice is a reminder of the requirements for shipping papers and invoices under the Tobacco Products Tax Act (MCL 205.421 et seq), in particular with regard to brand identification.

Sec. 6(2) requires that a manufacturer "...deliver with each sale or consignment of a tobacco product a written statement containing the name or trade name and address of both the seller and the purchaser, the date of delivery, the quantity, the trade name or brand of the tobacco product..."

Sec. 6(4) states, in part, "A licensee under this act shall not issue or accept a written statement or invoice that is known to the licensee to contain a statement **or omission** that falsely indicates the name of the customer, the type, trade name, or brand of merchandise..." (*emphasis added*)

Failure to properly identify a tobacco product on shipping papers and invoices, or acceptance of these documents when they do not contain the required information is a violation of the Tobacco Products Tax Act. Violations of the Act subject the tobacco products to seizure in accordance with sec. 9(1). In addition, a person who violates the Act is subject to license revocation under Sec. 5, and also fines and/or imprisonment as provided in Sec. 8.

Tobacco Product Manufacturers Only

Sec. 3(1) requires that a manufacturer of tobacco products shipping tobacco products directly to licensed Wholesalers or Unclassified Acquirers located in Michigan be licensed as an Unclassified Acquirer – Manufacturer. "... a person shall not purchase, possess, acquire for resale, or sell a tobacco product as a manufacturer...in this state unless licensed to do so..."

A manufacturer that does not ship directly to Michigan does not need to be licensed. However, if their tobacco products are sold in Michigan through an intermediary they are subject to the invoicing requirements provided in the Act.

The Michigan Department of Treasury distributes a list of nonparticipating manufacturers and their brands that are authorized for sale in Michigan on its website at www.michigan.gov/tobaccotaxes. A link to the list of participating manufacturers and their brands that is published by the National Association of Attorneys General is also on the site. As a reminder, before acquiring a tobacco product you must view these lists. If a manufacturer or brand (included under the appropriate manufacturer) is not included on one of these lists, the brand may not be acquired or sold for consumption in this state.

To view the Tobacco Products Tax Act visit www.mileg.org.

If you have any questions concerning this notice you may contact the Tobacco Tax Unit at (517) 636-4630, or the Tax Policy Division at (517) 373-9600.