

THE EQUITY ASSESSMENT PRE-PAYMENT REQUIREMENT

PA 327 of 1993 was amended on January 8, 2004. The amendment required all NPMs who anticipate selling their cigarettes and RYO products in Michigan to pre-pay an equity assessment by February 9, 2004, for 2004 sales. The bill also requires NPMs to make additional annual prepayments by March 1 of each year, based on the anticipated cigarette and RYO tobacco sales for that calendar year. Treasury will perform a reconciliation of the pre-payment to actual sales by April 15 of each year.

The equity assessment is based on the estimated tobacco sales for the current year or a minimum payment of \$10,000 to be paid prior to commencing selling cigarette and RYO tobacco products into the State.

The amendment to PA 327 states that a Stamping Agent shall not affix a State stamp to any package of cigarettes or shipping container of RYO tobacco of an NPM unless the manufacturer is listed on Treasury's Web site at www.michigan.gov/tobaccotaxes.

Treasury may seize or confiscate from any person an NPM's cigarettes or RYO tobacco products in that person's possession which are in violation of the Act.