



## Important Notice Regarding Cigarette Excise Tax Rate Increase and Tax on Inventory on Effective Date of Increase

**Tax Rate:** The 2009 General Assembly enacted [Senate Bill 202](#) (Session Law 2009-451) to increase the excise tax rate on cigarettes. Effective September 1, 2009, the tax rate for cigarettes will be increased to \$.0225 per individual cigarette (45 cents per pack of twenty).

**Inventory:** Every person subject to the tax on cigarettes under G.S. 105-113.5 are required to pay an additional tax equal to the difference between the previous tax rate and the new tax rate on all cigarettes held in inventory on the effective date of the tax increase. The additional tax is equal to the difference between the former tax rate of \$.0175 cents per individual cigarette and the increased tax rate of \$.0225 per cigarette (an increase of 10 cents per pack of twenty). The inventory and the additional tax are due to the Department of Revenue 20 days after the effective date of the increase.

Please use [Form B-A-45](#), which is included in this mailing, to record the inventory as of September 1, 2009 and to calculate the additional tax due. The form is available on our website at <http://www.dor.state.nc.us/downloads/tobacco.html>. The form and payment are due by September 21, 2009. There is no discount deduction allowed on the amount of additional tax due.

If you have any questions regarding the tax rate increase or the inventory tax due, you may contact the Tobacco Products Tax Unit at (919) 733-3651.