

# B-A-101 Instructions Monthly Other Tobacco Products Return Instructions

## General Instructions

The Monthly Other Tobacco Products return is required to be filed by wholesale dealers and retail dealers who first acquire, receive, or handle other tobacco products in this State, as well as those who bring other tobacco products into this State.

**Invoicing Requirements** - Sales invoices of wholesale dealers, whether resident or nonresident, liable for the tax shall indicate payment of the excise tax on other tobacco products by the wording "North Carolina Other Tobacco Products Tax Paid." All sales invoices of nonresident wholesale dealers shall show point of origin and mode of transportation for all shipments of other tobacco products into this State. All invoices for vapor products issued by manufacturers must state the amount of consumable vapor product in milliliters.

Complete all information at the top of form B-A-101 including legal name (first 35 characters), trade name, mailing address, City, State, Zip Code, State of Domicile, FEIN or SSN, NCDOR ID number, contact person, phone number, and fax number. The return and payment (if applicable) are due to be filed by the 20th day following the end of the calendar month covered by the filing period and must be received by the Department or postmarked on or before the 20th day following the end of the calendar month covered by the filing period. If the 20th falls on a Saturday, Sunday, or state holiday, the return and payment **MUST BE RECEIVED** by the Department or **MUST BE POSTMARKED** on the next business day. This also applies to returns when no tax is due.

If the return and payment are not submitted timely, the discount deduction will be disallowed and a delinquent penalty of five percent (5%) per month, maximum twenty-five percent (25%), of any tax due will be added for each month, or fraction thereof, that the return is late. A penalty of ten percent (10%) of any tax due will be added for failure to pay the tax when due. In addition, interest will be charged at a daily rate from the date the tax is due until the date the tax is paid. The interest rate is subject to change every six months; therefore, you should verify the rate on the Department's website at **www.dornc.com**.

**Amended Returns:** Prior period adjustments are not allowed on current returns. If you must amend a previously filed Monthly Other Tobacco Products Return, you must complete B-A-101, Monthly Other Tobacco Products Return, Page 1 and 2, showing the required adjustments. You must also mark the return as amended by filling in the circle indicating an amended return.

## Line-by-Line Instructions

### Computation of Other Tobacco Products Excise Tax Sold in Taxable Transactions

#### **Line 1 - Cost Price of Other Tobacco Products Sold During the Month**

Enter the total actual price paid for all the products sold before any discount, rebate, or allowance during the month. Make sure all invoices, or equivalent information, are attached for verification.

#### **Line 2 - Cost Price of Other Tobacco Products Sold Outside North Carolina**

Enter the total actual price paid for all the products sold outside North Carolina during the month before any discount, rebate, or allowance. Make sure all invoices, or equivalent information, are attached for verification.

#### **Line 3 - Cost Price of Other Tobacco Products Sold to the Federal Government or Instrumentalities Thereof**

Enter the total actual price paid for all the products sold to the Federal Government or instrumentalities during the month before any discount, rebate, or allowance. Make sure all invoices, or equivalent information, are attached for verification.

#### **Line 4 - Cost Price of Other Tobacco Products Sold in Designated Sales Agreements**

**Designated Sales** - A wholesale dealer who sells a tobacco product to a person who has notified the wholesale dealer in

writing that the person intends to resell the item in a transaction that is exempt from tax, such as a tobacco product sold outside the State or sold to the Federal government, must maintain and make available for inspection by the Secretary of Revenue a record of each exempt sale. These records must be kept separately from all other records.

Enter the total actual price paid for all the products sold in designated sales agreements during the month before any discount, rebate, or allowance. Make sure all invoices, or equivalent information, are attached for verification.

**Line 5 - Cost Price of Exempt Sales**

Add Lines 2 through 4. Enter the result.

**Line 6 - Cost Price of Other Tobacco Products Sold in Taxable Transactions During the Month**

Subtract Line 5 from Line 1. Enter the result.

**Line 7 - Tax Due**

Multiply Line 6 by 12.8% ( 0.128). Enter the result.

**Line 8 - Discount**

A wholesale dealer or a retail dealer who is primarily liable for the excise taxes imposed on tobacco products, who files a timely report and who sends a timely payment may deduct from the amount due with the report a discount of two percent (2%). This discount covers expenses incurred in preparing the records and reports required and the expense of furnishing a bond.

Multiply Line 7 by 2% (0.02) if return with full payment is timely filed; otherwise enter zero.

**Line 9 - Net Tax Due**

Subtract Line 8 from Line 7. Enter the result.

**Computation of Vapor Products Excise Tax Sold in Taxable Transactions**

**Line 10 - Number of Milliliters of Vapor Products Sold During the Month**

Enter the total in milliliters for all the vapor products sold during the month. Make sure all invoices, or equivalent information, are attached for verification.

**Line 11 - Number of Milliliters of Vapor Products Sold Outside North Carolina**

Enter the total in milliliters for all the vapor products sold outside North Carolina during the month. Make sure all invoices, or equivalent information, are attached for verification.

**Line 12 - Number of Milliliters of Vapor Products Sold to the Federal Government or Instrumentalities Thereof**

Enter the total in milliliters for all the vapor products sold to the Federal Government or instrumentalities thereof during the month. Make sure all invoices, or equivalent information, are attached for verification.

**Line 13 - Number of Milliliters of Vapor Products Sold in Designated Sales Agreements**

Designated Sales - A wholesale dealer who sells a tobacco product to a person who has notified the wholesale dealer in writing that the person intends to resell the item in a transaction that is exempt from tax, such as a tobacco product sold outside the State or sold to the Federal government, must maintain and make available for inspection by the Secretary of Revenue a record of each exempt sale. These records must be kept separately from all other records

Enter the total in milliliters for all the products sold in designated sales agreements during the month. Make sure all invoices,

or equivalent information, are attached for verification.

**Line 14 - Number of Exempt Milliliters of Vapor Products Sales**

Add Lines 11 through 13. Enter the result.

**Line 15 - Number of Milliliters of Vapor Products Sold in Taxable Transactions During the Month**

Subtract Line 14 from Line 10. Enter the result.

**Line 16 - Vapor Tax Due**

Multiply Line 15 by \$0.05. Enter the result.

**Computation of Total Other Tobacco Products (including Vapor Products) Sold in Taxable Transactions**

**Line 17 - Total Excise Tax Due**

Add Line 9 plus Line 16. Enter the result.

**Line 18 - Penalty**

Payment of the Failure to File Penalty is required with any return filed after the date the return is due. If this return is late, the penalty is 5% per month or any fraction thereof, with a maximum of 25% of the tax that is due.

Payment of the Failure to Pay Penalty is required with any payment received after the date the return is due. If the payment is late, the penalty is 10% of the tax that is due.

Multiply Line 7 and Line 16 by the applicable rate above, if the return with full payment is not filed timely. Enter the result.

**Line 19 - Interest**

Payment of interest is required when payment on any return, with tax due, is late. The interest rate is subject to change every six months; therefore, you should verify the rate on the Department's website at [www.dorn.com](http://www.dorn.com).

Multiply Line 7 and Line 16 by the applicable rate, if the return with full payment is not filed timely. Enter the result.

**Line 20 - Total Payment Due**

Add Lines 17 through 19. Enter the result. This is the amount due to be paid with the return. Your payment should equal the amount on Line 20 on the return. Make checks or money orders payable to the North Carolina Department of Revenue and include your account number on your check or money order. **Any payment must be drawn on a U.S. (domestic) bank and payable in U.S. dollars.**

**G.S. 105-449.120(a)(4) - Penalty for False Statement.** Any person making a false statement in an application, a return, or a statement required under this Article is guilty of a Class 1 misdemeanor.