

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department for the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.)

The purpose of this information release is to provide an overview of the change to RSA 78 Tobacco Tax, which effective January 1, 2001, restricts the sale of tobacco products. If you have specific questions, you may contact the Department of Revenue Administration, Collection Division, P.O. Box 454, Concord, NH 03302-0454, (603) 271-3701.

"GREY MARKET" TOBACCO PRODUCTS

During the past legislative session there was a change to the tobacco tax statute, RSA 78, that addresses the so-called "**Grey Market**" tobacco products. "**Grey Market**" tobacco products are those tobacco products which are manufactured for overseas markets and are not intended to be sold, distributed or used in the United States. These products are either diverted or re-imported back into the United States.

Effective January 1, 2001, it has become illegal to import into this state, or to sell or offer to sell, or affix any New Hampshire tobacco tax stamp to any "**Grey Market**" tobacco products.

The penalties for violations of this law range from loss of tobacco license (for a period of 90 days to one year) and a fine not to exceed \$10,000. In addition, "**Grey Market**" tobacco products offered for sale at retail in this state shall be subject to seizure and destruction.

The Department has been inspecting tobacco products and already has seized several thousands of dollars worth of the illegal product. The Department will continue to aggressively enforce this law.

If you have further questions, please contact the Department's Collection Division as indicated above.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to Edward Dame, Director, Collection Division, 271-3701.