

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**  
**Office of Tax and Revenue**



**Date:** September 18, 2009

**To:** ALL RETAILERS, VENDING MACHINE OPERATORS and  
STREET VENDORS OF DC CIGARETTES

**Subject:** Cigarette, Little Cigar and Moist Snuff Excise Tax Increase

**Bulletin #:** 2009-08

Effective October 1, 2009, there will be an increase in the District of Columbia cigarette excise tax and a new tax on “little cigars” and “moist snuff.” The cigarette excise tax will increase from 10¢ to 12.5¢ for each cigarette which raises the tax to \$2.50 per pack of 20 cigarettes and \$3.125 per pack of 25 cigarettes. A tax is imposed on the sale or possession of “little cigars” at 12.5¢ per little cigar. “Little cigar” means any cigar, other than a premium cigar, that weighs not more than 4 1/2 pounds per thousand. In addition, a tax is imposed on the sale or possession of “moist snuff” at 30¢ per ounce. “Moist snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked and not intended to be placed in the nasal cavity.

The new excise tax rate applies to previously stamped floor stock of cigarettes, including cigarettes in vending machines, and all floor stock of little cigars and moist snuff held by Wholesalers, Retailers and Street Vendors for commercial distribution in DC.

You are required to take a physical inventory before the start of business on October 1, 2009 of all DC stamped cigarettes, little cigars and moist snuff in stock to determine your floor tax. Enclosed is the floor tax return and instructions. Please submit the return and payment by October 21, 2009, to the Office of Tax and Revenue, Audit Division, Cigarette Tax Enforcement Unit, P.O. Box 556, Washington, DC 20044. Failure to file a floor tax return and make payment by October 21, 2009 will result in the imposition of penalty and interest and may result in criminal prosecution. In addition, the cigarette license issued to you may be subject to suspension or revocation.

Corporate filers may elect to file a consolidated return and remittance on behalf of all subsidiary locations. The consolidated return should include a summary report of each subsidiary inventory subject to cigarette, little cigar and moist snuff floor tax. In addition, each subsidiary is required to maintain a copy of the inventory and the floor tax return at the business location for inspection. Should a corporate filer choose to allow each subsidiary to file a floor tax return, filing instructions for filing an individual floor tax return apply.

Vending machine operators must send a list of all vending machines showing the location of machines with the floor tax return. The tax can be computed on an actual physical inventory by machine or by paying a flat tax assessment per machine as indicated on the return.

We have enclosed in this notice a sheet of Frequently Asked Questions (FAQs) for the cigarette floor tax return. A copy of this notice and FAQ (including various translations) is available on our website at [www.taxpayerservicecenter.com](http://www.taxpayerservicecenter.com). Also, our website provides the floor tax return and instructions.

Questions relating to this law change should be directed to the Office of Tax and Revenue, Audit Division, at (202) 442-6602, or via email at [sherri.weithers@dc.gov](mailto:sherri.weithers@dc.gov).

Thank you for your cooperation.