

# FREQUENTLY ASKED QUESTIONS

December 20, 2013

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**1. Has Anchorage Municipal Code (AMC) 12.40, Excise Tax on Cigarettes and Other Tobacco Products, been recently modified?**

Yes. The previous version of AMC 12.40 was repealed and Anchorage Ordinance (AO) 2103-125, enacting a new version of AMC Chapter 12.40, was approved and adopted by the Municipal Assembly on November 19, 2013. [These changes go into effect on January 1, 2014.](#)

**2. Where can I obtain a copy of Anchorage Ordinance (AO) 2013-125?**

A printable copy of the Assembly-approved AO 2013-125, including the related Assembly Memorandum and Summary of Economic Effects, can be found on the Treasury Division website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax). This ordinance establishes the new AMC Chapter 12.40, effective January 1, 2014.

**3. Who needs to apply for and obtain a license on or before January 1, 2014, pursuant to AMC 12.40?**

Any business within the Municipality of Anchorage that deals in cigarettes and other tobacco products (CTP) must obtain a license pursuant to AMC 12.40.035. This includes local retailers, distributors, wholesalers, and individuals who import cigarettes or other tobacco into the Municipality for personal consumption.

**4. What is the process to obtain a license pursuant to AMC 12.40.035?**

The process to obtain an MOA tobacco license begins with completing an application (please see AMC 12.40.035 for complete details). A printable application form can be found on the Treasury Division website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax). Please allow 2 to 5 business days to receive your Cigarette and Tobacco Products License in the mail.

**5. What forms of payment are accepted for the license fee required by AMC 12.40.040?**

If a person comes to the Treasury counter in City Hall to drop off a completed Cigarette and Tobacco Products License Application, acceptable methods of fee payment are limited to cash or business check. Credit cards are not accepted by Treasury. Please do not send cash if submitting an application and payment by mail.

**6. My business in Girdwood does sell cigarettes, but does not import cigarettes into MOA. Is my business required to be licensed under AMC Chapter 12.40?**

Yes. Your business must be licensed to act as a cigarette retailer.

**7. My business in Eagle River sells both cigarettes and other tobacco products, but does not import either into MOA. Is my business required to obtain two separate licenses under AMC Chapter 12.40?**

No. Your business is required to apply for and obtain only one license and that one license will authorize your activity as both a "cigarette retailer" and an "other tobacco products retailer".

**8. What is the term of a tobacco license issued under AMC Chapter 12.40?**

A license issued under AMC 12.40.035 is valid for the remainder of the calendar year subsequent to the date the license was issued. However, the license may automatically expire if the licensee relocates from the licensed address.

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**9. Are there recording-keeping requirements associated with being licensed under AMC 12.40?**

Yes. Requirements associated with maintenance and inspection of documents and records are set forth in AMC 12.40.190A. The code-mandated requirements are achievable and manageable through ordinary and customary business practices associated with documenting and recording purchases and sales of products.

**10. I own a retail business in Anchorage and my inventory includes cigarettes for sale. Does AMC 12.40 allow me to sell cigarettes to a merchant customer (retailer) located outside of MOA?**

No, retail-to-retail sales are prohibited (see AMC 12.40.130C). A business licensed as a retailer under AMC 12.40 may only sell cigarettes and/or other tobacco products at retail to consumers.

**11. The company I work for owns several retail stores in MOA and all are licensed as cigarette retailers. Can excess CTP inventory be transferred between company-owned retail stores?**

Yes, a business with multiple retail locations may transfer cigarettes and other tobacco products between its stores, provided all transfers are within MOA and all transfers are adequately controlled and documented in accordance with AMC 12.40.190. Transfers from same-company stores outside MOA into MOA are prohibited (see AMC 12.40.130).

**12. I own a retail business in MOA and my inventory includes cigarettes for sale. Where can I acquire cigarettes for my business inventory in compliance with AMC Chapter 12.40?**

Only a business licensed under AMC 12.40 to act as a distributor is permitted to sell cigarettes and/or other tobacco products to merchant customers for resale purposes. Treasury will publish and periodically update a list of MOA businesses licensed to act as distributors. This list will be available to interested persons on the Treasury website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax) or you can call Treasury personnel at 343-6686, 343-6967, 343-6676, or 343-6964 to inquire.

**13. Are there any restrictions associated with a Distributor selling tax-exempt cigarettes and other tobacco products to a Registrant (a merchant located outside the Municipality of Anchorage who is registered under AMC 12.40.028 to purchase cigarettes and other tobacco products exempt of the tax)?**

Yes. For in-person transactions, cash sales of tax-exempt cigarettes and other tobacco products are prohibited (see AMC 12.40.130). For transactions other than in-person transactions, the distributor must ship, deliver, or cause to be delivered, tax-exempt cigarettes and other tobacco products only to the Registrant's address reflected in the List of Current Registrants the Treasury website (See AMC 12.40.125A).

**14. Who must file an MOA Cigarette and Tobacco Products Tax Return?**

Any person who brings cigarettes and/or other tobacco products into the Municipality of Anchorage, or causes them to be brought into the Municipality, must report those acquisitions on a tax return form and submit the completed tax return along with tobacco taxes due to the Municipal Treasurer. Persons licensed as a buyer and businesses licensed as distributors or direct-buying retailers consistently file monthly tax returns to report the tobacco that they import into the Municipality.

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**15. Where can I obtain the MOA Cigarette and Tobacco Products Tax Return form?**

A printable tax return form, including detailed instructions, can be found on the Treasury Division website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax).

**16. Is a business located outside of MOA able to acquire cigarettes and/or other tobacco products exempt of the excise tax from a supplier inside MOA?**

A merchant whose principal place of business is located outside of the Municipality of Anchorage may register with the Municipal Treasurer to acquire cigarettes and/other tobacco products exempt of the MOA excise tax.

**17. What is the process to register with the Municipal Treasurer to obtain cigarettes and/or other tobacco products exempt of the tax?**

The registration process is set forth in AMC 12.20.028. The registration process begins with completing an application. A printable application form can be found on the Treasury Division website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax). Please allow 2 to 5 business days for your application to be processed.

**18. Can I come to the Treasury office in City Hall, drop off my application for registration with payment for registration fee, and become registered right away?**

No, the confirmations and verifications required to complete the registration process take time. Please plan ahead and allow 2 to 5 business days for registration to be completed. Notification will be provided to you when the registration process has been completed.

**19. What forms of payment are accepted for the registration fee required by AMC 12.40.028.B.10?**

If a person comes to the Treasury counter in City Hall to drop off a completed application for registration, acceptable methods of fee payment are limited to cash or business check. Credit cards are not accepted by Treasury. Please do not send cash if submitting an application and payment by mail.

**20. How long is the registration under AMC 12.40.028 valid?**

Registration under AMC 12.40.028 is valid from the later of July 1, or the date registration was completed, through the following June 30. However, the registration may automatically expire if the merchant relocates from the registered address. Also, the registration may be revoked for a Registrant's failure to comply with code requirements (see AMC 12.40.033). **EXCEPTION** - Registration will not automatically expire until June 30, 2015 for applicants who register under AMC 12.40.028 during 2013 or during 2014.

**21. Once my business has become registered, where can I obtain cigarettes and/or other tobacco products exempt from the tax?**

Only a business licensed under AMC 12.40 to act as a distributor is permitted to sell tax-exempt cigarettes and/or other tobacco products to "Registrants" - merchant customers who are registered under AMC 12.40.028. Treasury will publish and periodically update a list of MOA businesses licensed to act as distributors. This list will be available to interested persons on the Treasury website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax) or you can call Treasury personnel at 343-6686, 343-6967, 343-6676, or 343-6964 to inquire.

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**22. How will a licensed distributor in Anchorage know that my business has completed registration under AMC 12.40.028 and is eligible to acquire tax-exempt cigarettes and other tobacco products?**

Treasury will publish and periodically update a List of Current Registrants (a “Registrant” is a merchant who has completed the registration process under AMC 12.40.028). Distributors will be referring to the List of Current Registrants to determine whether or not a merchant customer is eligible to purchase tax-exempt cigarettes and other tobacco products. This list will be available on the Treasury website at [www.muni.org/tobaccotax](http://www.muni.org/tobaccotax) (see AMC 12.40.028!).

**23. Are there any restrictions associated with a Registrant purchasing tax-exempt cigarettes and other tobacco products from a licensed distributor in Anchorage?**

Yes. For in-person transactions, cash sales of tax-exempt cigarettes and other tobacco products are prohibited (see AMC 12.40.130). For transactions other than in-person transactions, the distributor must ship, deliver, or cause to be delivered, tax-exempt cigarettes and other tobacco products only to the Registrant’s address as listed in the Registrant’s application and as reflected in the List of Current Registrants the Treasury website (See AMC 12.40.125A).

**24. Are there recording-keeping requirements associated with being registered under AMC 12.40 to acquire cigarettes and/or other tobacco products exempt of the tax?**

Yes. Requirements associated with maintenance and inspection of documents and records are set forth in AMC 12.40.190B. The code-mandated requirements are achievable and manageable through ordinary and customary business practices associated with documenting and recording purchases and sales of products