

Regional Cigarette Tax Board Implementation Checklist

This checklist is designed to assist localities with the creation of a new regional cigarette tax board.

- _____ 1. Confirm approval and signing of local ordinance(s) allowing participation in Regional Cigarette Tax Board (“Board”); provide a copy to the Virginia Department of Taxation (“Virginia Tax”).
 - ▶ By default, this should include a listing of participating localities and their effective start date with the board.
- _____ 2. Open a checking account to pay Board expenses and deposit cigarette tax revenues.
- _____ 3. Secure signatures from both the Regional Cigarette Tax Board and Virginia Tax on a Memorandum of Understanding (MOU).
- _____ 4. Design and present a dual stamp to Virginia Tax’s vendor.
- _____ 5. Secure approval for the new dual stamp proof; submit it to the vendor.
- _____ 6. Provide projected stamp volume to Virginia Tax.
- _____ 7. Confirm that Virginia Tax has ordered the new dual stamp.
- _____ 8. Design and print the Board stamp order form.
- _____ 9. Develop a stamping agent return reporting process; design, produce, and procure return forms.
 - ▶ The return process will be the primary mechanism to collect the Board’s tax revenue.
- _____ 10. Set up administrative software system to be used in tracking revenue, roll numbers sold, and receivables as well as assessing stamping agents.
- _____ 11. Establish implementation plan to address placement of stamps on retailers’ shelves prior to tax effective date but remaining for sale on or after the effective date.
 - ▶ Examples: floor tax return and payment; adhesive stamps to be affixed by retailers.
 - ▶ A start date for stamping agents to begin affixing stamps must also be documented.
- _____ 12. Identify stamping agents that distribute cigarettes within the Board localities.
- _____ 13. Notify stamping agents (that distribute within the Board’s localities) of the new Board, its new stamp, and an effective date for the cigarette excise tax.
- _____ 14. Provide dual stamp purchase instructions to stamping agents (that distribute cigarettes within the Board’s localities).
 - ▶ List accepted payment methods – for example, ACH/EFT, check, cashier’s check, credit card (fees charged), etc.

- _____ 15. Confirm receipt by the Board of bonds from authorized stamping agents to cover the risk of assessing cigarette tax in arrears.
- _____ 16. Document process for returned, unused stamps for credit, to include notifying Virginia Tax (via affidavit or internal form) of state cigarette revenues to be refunded.
- _____ 17. Provide to Virginia Tax a list of stamping agents authorized to purchase the region's dual stamps.
- _____ 18. Develop and draft compliance or enforcement policies and procedures.
- _____ 19. Train Compliance staff.
- _____ 20. Train Administrative staff.
- _____ 21. Provide list of Board contacts and contact information to Virginia Tax.

Virginia Tax Contacts:

Bank Services Supervisor — 804.367.6375

Tobacco Accountant — 804.367.8465