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