Replacement Check List
For rules filed within the
2nd Quarter
April 1 – June 30, 2016

THE ARIZONA ADMINISTRATIVE CODE

Within the stated calendar quarter, this Chapter contains all rules made, amended, repealed, renumbered, and recodified; or rules that have expired or were terminated due to an agency being eliminated under sunset law.
These rules were either certified by the Governor’s Regulatory Review Council or the Attorney General’s Office; or exempt from the rulemaking process, and filed with the Office of the Secretary of State. Refer to the historical notes for more information.
Please note that some rules you are about to remove may still be in effect after the publication date of this Supplement. Therefore, all superseded material should be retained in a separate binder and archived for future reference.

Title 15. Revenue

Chapter 3. Department of Revenue - Luxury Tax Section
Supplement Release Quarter: 16-2

Sections, Parts, Exhibits, Tables or Appendices modified
R15-3-201, R15-3-301 through R15-3-319, R15-3-501

REMOVE Supp. 13-1 REPLACE with Supp. 16-2
Pages: 1 - 9

The agency’s contact person who can answer questions about rules in Supp. 16-2:
Agency: Department of Revenue
Name: Gracynthia Claw
Address: Tobacco Tax Unit
        1600 W. Monroe, Division Code 3
        Phoenix, AZ 85007
Telephone: (602) 716-6933
Fax: (602) 716-7995
E-mail: gclaw@azdor.gov
Website: www.azdor.gov

Disclaimer: Please be advised the person listed is the contact of record as submitted in the rulemaking package for this supplement. The contact and other information may have changed and is provided as a public courtesy.

PUBLISHER
Arizona Department of State
Office of the Secretary of State, Public Services Division
RULES
A.R.S. § 41-1001(17) states: “‘Rule’ means an agency statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedures or practice requirements of an agency.”

THE ADMINISTRATIVE CODE
The Arizona Administrative Code is where the official rules of the state of Arizona are published. The Code is the official codification of rules that govern state agencies, boards, and commissions. Virtually everything in your life is affected in some way by rules published in the Arizona Administrative Code, from the quality of air you breathe to the licensing of your dentist. This chapter is one of more than 230 in the Code compiled in 21 Titles.

ADMINISTRATIVE CODE SUPPLEMENTS
Rules filed by an agency to be published in the Administrative Code are updated quarterly. Supplement release dates are printed on the footers of each chapter:

First Quarter: January 1 - March 31
Second Quarter: April 1 - June 30
Third Quarter: July 1 - September 30
Fourth Quarter: October 1 - December 31

For example, the first supplement for the first quarter of 2016 is cited as Supp. 16-1.

HOW TO USE THE CODE
Rules may be in effect before a supplement is released by the Office. Therefore, the user should refer to issues of the Arizona Administrative Register for recent updates to rule Sections.

ARTICLES AND SECTIONS
Rules in chapters are divided into Articles, then Sections. The “R” stands for “rule” with a sequential numbering and lettering system separated into subsections.

HISTORICAL NOTES AND EFFECTIVE DATES
Historical notes inform the user when the last time a Section was updated in the Administrative Code. Be aware, since the Office publishes each quarter by entire chapters, not all Sections are updated by an agency in a supplement release. Many times just one Section or a few Sections may be updated in the entire chapter.

ARIZONA REVISED STATUTE REFERENCES
The Arizona Revised Statutes (A.R.S.) are available online at the Legislature’s website, www.azleg.gov. An agency’s authority note to make rules are often included at the beginning of a chapter. Other Arizona statutes may be referenced in rule under the A.R.S. acronym.

SESSION LAW REFERENCES
Arizona Session Law references in the introduction of a chapter can be found at the Secretary of State’s website, www.azsos.gov/services/legislative-filings.

EXEMPTIONS FROM THE APA
It is not uncommon for an agency to be exempt from the steps outlined in the rulemaking process as specified in the Arizona Administrative Procedures Act, also known as the APA (Arizona Revised Statutes, Title 41, chapter 6, Articles 1 through 10). Other agencies may be given an exemption to certain provisions of the Act.

An agency’s exemption is written in law by the Arizona State Legislature or under a referendum or initiative passed into law by Arizona voters.

When an agency files an exempt rulemaking package with our Office it specifies the law exemption in what is called the preamble of rulemaking. The preamble is published in the Arizona Administrative Register online at www.azsos.gov/rules, click on the Administrative Register link.

In the Administrative Code the Office includes editor’s notes at the beginning of a chapter indicating that certain rulemaking Sections were made by exempt rulemaking. Exempt rulemaking notes are also included in the historical note at the end of a rulemaking Section.

The Office makes a distinction to certain exemptions because some rules are made without receiving input from stakeholders or the public. Other exemptions may require an agency to propose exempt rules at a public hearing.

EXEMPTIONS AND PAPER COLOR
If you are researching rules and come across rescinded chapters on a different paper color, this is because the agency filed a Notice of Exempt Rulemaking. At one time the office published exempt rules on either blue or green paper. Blue meant the authority of the exemption was given by the Legislature; green meant the authority was determined by a court order. In 2001 the Office discontinued publishing rules using these paper colors.

PERSONAL USE/COMMERCIAL USE
This chapter is posted as a public courtesy online, and is for private use only. Those who wish to use the contents for resale or profit, should contact the Office about Commercial Use fees. For information on commercial use fees review A.R.S. § 39-121.03 and 1 A.A.C. 1., R1-1-113.

Public Services managing rules editor, Rhonda Paschal, assisted with the editing of this chapter.
TITLE 15. REVENUE

CHAPTER 3. DEPARTMENT OF REVENUE - LUXURY TAX SECTION

(Artory: A.R.S. § 42-1202 et seq.)

Article 1 consisting of Sections R15-3-101 through R15-3-104, Article 2 consisting of Sections R15-3-201 through R15-3-204, Article 3 consisting of Sections R15-3-301 through R15-3-322, Article 4 consisting of Sections R15-3-401 through R15-3-410, Article 5 consisting of Sections R15-3-501 through R15-3-512 adopted effective March 18, 1981.

Former Article 1 consisting of Sections R15-3-01 through R15-3-13 and Article 2 consisting of Sections R15-3-21 through R15-3-28 repealed effective March 18, 1981.

ARTICLE 1. REPEALED

Article 1, consisting of Sections R15-3-101 through R15-3-104, repealed effective May 14, 1993 (Supp. 93-2).

Section
R15-3-101. Repealed ..................................................... 2
R15-3-102. Repealed ..................................................... 2
R15-3-103. Repealed ..................................................... 2
R15-3-104. Repealed ..................................................... 2

ARTICLE 2. GENERAL

Section
R15-3-201. Definitions ................................................... 2
R15-3-202. Reserved ..................................................... 2
R15-3-203. Repealed ..................................................... 2
R15-3-204. Repealed ..................................................... 2

ARTICLE 3. TAXES ON TOBACCO PRODUCTS

Section
R15-3-301. Licensing ..................................................... 2
R15-3-302. Repealed ..................................................... 3
R15-3-303. Repealed ..................................................... 3
R15-3-304. Change of Licensee’s Business Name ................. 3
R15-3-305. Change of Licensee’s Place of Business, Business Location or Mailing Address ......................... 3
R15-3-306. Recordkeeping, Invoicing and Filing-related Requirements ..................................................... 3
R15-3-307. Cancellation of Distributor’s License ................. 4
R15-3-308. Revocation or Suspension of Distributor’s License ..................................................... 4
R15-3-309. Inspection of Tobacco Product Retailers .............. 4
R15-3-310. Vending Machine Identification and Inspection .... 5
R15-3-311. Repealed ..................................................... 5
R15-3-312. Purchase of Cigarette Tax Stamps .................... 5
R15-3-313. Invoice Issued by a Distributor ......................... 5
R15-3-314. Sales in Interstate or Foreign Commerce ............ 5
R15-3-315. Credit Purchases of Cigarette Tax Stamps .......... 5
R15-3-316. Sale of Unstamped Cigarettes ......................... 6
R15-3-317. Contraband and the Disposition of Seized Tobacco Products ..................................................... 6
R15-3-318. Refunds, Rebates and Redemption of Cigarette Tax Stamps ..................................................... 6
R15-3-319. Cigarette Samples ......................................... 6
R15-3-320. Repealed ..................................................... 6
R15-3-321. Renumbered ................................................... 7
R15-3-322. Renumbered ................................................... 7

ARTICLE 4. TAX ON ALCOHOLIC BEVERAGES

Section
R15-3-401. Tax Return Filing Requirements for a Malt Liquor Wholesaler ..................................................... 7
R15-3-402. Tax Return Filing Requirements for a Spirituous or Vinous Liquor Wholesaler ........................................ 7
R15-3-403. Tax Return Filing Requirements for a Domestic Microbrewery, Domestic Farm Winery, or Beer Manufacturer ..................................................... 7
R15-3-404. Taxes Remitted ................................................. 7
R15-3-405. Alcoholic Beverage Samples ................................ 8
R15-3-406. Metric Conversion ........................................... 8
R15-3-407. Filing Requirements for a Primary Source of Supply ..................................................... 8
R15-3-408. Failure to Report Purchases from a Primary Source of Supply ..................................................... 8
R15-3-409. Repealed ..................................................... 8
R15-3-410. Failure to File a Return or Pay Tax ....................... 8

ARTICLE 5. ADMINISTRATION

Section
R15-3-501. Filing of Luxury Tax Reports and Returns .......... 8
R15-3-502. Repealed ..................................................... 8
R15-3-503. Repealed ..................................................... 8
R15-3-504. Repealed ..................................................... 8
R15-3-505. Repealed ..................................................... 8
R15-3-506. Repealed ..................................................... 8
R15-3-507. Repealed ..................................................... 8
R15-3-508. Repealed ..................................................... 8
R15-3-509. Repealed ..................................................... 8
R15-3-510. Expired ....................................................... 9
R15-3-511. Repealed ..................................................... 9
R15-3-512. Repealed ..................................................... 9
ARTICLE 1. REPEALED

R15-3-101. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective May 14, 1993 (Supp. 93-2).

R15-3-102. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective May 14, 1993 (Supp. 93-2).

R15-3-103. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective May 14, 1993 (Supp. 93-2).

R15-3-104. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective May 14, 1993 (Supp. 93-2).

ARTICLE 2. GENERAL

R15-3-201. Definitions
In this Chapter, unless otherwise specified:

1. “Acquire” or any variation thereof means to receive, to come to own or have, or to come into possession or control of tobacco products, regardless of the means or manner and whether the tobacco products are later transferred, sold, distributed or otherwise given to another person.

2. “Alcoholic beverage” means cider, malt liquor, spirituous liquor, and vinous liquor, as these terms are defined in A.R.S. § 42-3001.

3. “Applicant” means a person applying for a distributor’s license under A.R.S. § 42-3401.

4. “Business location” means either of the following:
   a. Pursuant to A.R.S. § 42-3151(A), any place where books, papers, invoices, or records of a wholesaler, distributor, or retailer are open for inspection by the Department;
   b. Pursuant to A.R.S. § 42-3151(B), any place where luxuries are placed, produced, stored, or sold.

5. “Cigar” has the same meaning as prescribed in A.R.S. § 42-3001.

6. “Cigarette” has the same meaning as prescribed in A.R.S. § 42-3001.

7. “Consumer” has the same meaning as prescribed in A.R.S. § 42-3001.

8. “Department” means the Arizona Department of Revenue.

9. “Distributor” has the same meaning as prescribed in A.R.S. § 42-3001.

10. “Luxury” has the same meaning as prescribed in A.R.S. § 42-3001.

11. “Nonparticipating manufacturer” has the same meaning as prescribed in A.R.S. § 44-7111.

12. “Other tobacco products” has the same meaning as prescribed in A.R.S. § 42-3001.

13. “Participating manufacturer” has the same meaning as prescribed in A.R.S. § 44-7111.

14. “Place of business” has the same meaning as prescribed in A.R.S. § 42-3001.

15. “Primary source of supply” has the same meaning as prescribed in A.R.S. § 4-243.01(E)(1).

16. “Retailer” has the same meaning as prescribed in A.R.S. § 42-3001.

17. “Roll-your-own tobacco” has the same meaning as prescribed in A.R.S. § 42-3001.

18. “Sale” means the act of soliciting, receiving an order for, keeping or offering for sale, delivering for value, peddling, or keeping with intent to sell any of the luxuries taxable under this Chapter.

19. “Tobacco products” has the same meaning as prescribed in A.R.S. § 42-3001.


ARTICLE 3. TAXES ON TOBACCO PRODUCTS

R15-3-301. Licensing
A. A person shall obtain a distributor’s license before engaging in business as a distributor. The Department shall issue a distributor’s license to the person named in the license application for a business making the initial sale or distribution of tobacco products in this state, pursuant to the requirements of A.R.S. § 42-3401 and any applicable bonding requirements under A.R.S. § 42-1102(B).

B. The person shall disclose all places of business and business locations in its distributor’s license application.

C. The Department shall issue a distributor’s license only if the distributor maintains any books, papers, invoices, records, and tobacco products subject to the Department's inspection under A.R.S. §§ 42-3151, 42-3401(D), and 42-3405 in a place and manner at the business location that is accessible to the Department during normal business hours without a judicial warrant or prior written consent. For example, if a licensee or its agent uses the same property for residential purposes and as a business location, as that term is defined in A.A.C. R15-3-201, the books, papers, invoices, records, and tobacco products located on that property shall be maintained in a place and manner that is completely separate from the residential portion of the property so that the Department will not need a judicial warrant or written consent to inspect the business location of that property during normal business hours.

D. If an applicant remits payment of the license fee by cashier’s check or money order, the payment shall bear the applicant’s name as the purchaser or remitter; or, if the payment is made by company check, the check shall bear the applicant’s name as the drawer or maker.

E. Pursuant to A.R.S. §§ 42-3004(1) and 42-3401(C), the Department may request an applicant to submit additional supporting documentation for the purpose of enforcing this section.
F. For purposes of licensing, “person” means any firm partnership, limited liability company, limited liability partnership or association, or corporation, and the person’s members, officers, or owners who directly or indirectly own an aggregate amount of ten percent or more of ownership interest.

**Historical Note**

R15-3-302. Repealed

**Historical Note**

R15-3-303. Repealed

**Historical Note**

R15-3-304. Change of Licensee’s Business Name
A licensee that changes the name under which it operates shall notify the Department in writing within 30 days of the name change and request a reissuance of its distributor’s license that contains the licensee’s change in information.

**Historical Note**

R15-3-305. Change of Licensee’s Place of Business, Business Location or Mailing Address
A. Except as provided in subsection (C), a licensee shall notify the Department in writing within 30 days of a change in a place of business or business location and request a reissuance
tion R15-3-306 renumbered from R15-3-308 and amended effective June 20, 1990 (Supp. 90-2), Section repealed by final rulemaking at 5 A.A.R. 2168, effective June 15, 1999 (Supp. 99-2). New Section made by exempt rulemaking at 22 A.A.R. 1843, effective June 24, 2016 (Supp. 16-2).

R15-3-307. Cancellation of Distributor’s License

A. If a licensee sells or terminates its business or voluntarily ceases all tobacco distribution activity, the licensee shall notify the Department in writing within 30 days of selling or terminating its business or ceasing its tobacco distribution activity, including the date of the sale, termination or cessation of tobacco distribution activity. The Department shall cancel the license, effective as of the date of sale, termination or voluntary cessation of tobacco distribution activity.

B. In the event a license is cancelled, the licensee shall file a final monthly return by the 20th day of the month immediately following the cancellation’s effective date. Late or fraudulent filings are subject to civil and criminal penalties under A.R.S. §§ 42-1125(K), (U) and 42-1127(B)(1)-(2), (B)(4).

Historical Note

R15-3-308. Revocation or Suspension of Distributor’s License

A. The Department shall not issue or renew a distributor’s license if any of the conditions listed under A.R.S. § 42-3401(E)-(F) applies. The Department shall give written notice of a denial to issue or renew a license to the applicant or licensee by delivering the notice by certified mail, return receipt requested, or by personal service, to the applicant or licensee’s place of business.

B. Except as otherwise provided in A.R.S. § 42-3401 and this section, the Department may revoke or suspend a license for more than two violations within a three-year period of any provision of A.R.S. Title 42 or this Article pursuant to A.R.S. § 42-3401(G).

C. The Department may revoke a license for a violation of A.R.S. §§ 42-3401(F), 42-3461(A) or any other statute that permits revocation.

D. The Department shall give written notice of a revocation or suspension to the licensee by delivering the notice by certified mail, return receipt requested, or by personal service, to the licensee’s place of business.

E. The applicant or licensee may request a hearing in writing within 30 days after receipt of the notice to appeal the Department’s decision. If the notice is delivered by certified mail, return receipt requested, the applicant or licensee is presumed to have received notice upon the date shown on the return receipt signed by or on behalf of the applicant or licensee, or, if the receipt is unsigned, upon the date that the United States Postal Service attempted to deliver the notice. If the notice is delivered by personal service, the applicant or licensee is presumed to have received notice upon the date of service.

F. If the applicant or licensee does not file an appeal within the 30-day period, the Department’s determination becomes final. The Department shall consider the appeal filed on the earlier of the date received by the Department or the date deposited in the United States mail as evidenced by a postmark. If the applicant or licensee files a timely appeal, the Department shall request a hearing by the Office of Administrative Hearings.

G. If the applicant or licensee appeals the revocation or suspension, the Department shall suspend action until the final order of the Department has been issued under A.A.C. R15-10-131.

H. Pursuant to A.R.S. §§ 41-1092.11(B) and 42-3401(J), the Department may order the summary suspension of a license, pending a hearing by the Office of Administrative Hearings on the revocation or suspension, if the Department finds the public health, safety or welfare imperatively requires emergency action and incorporates that finding in the written notice described in subsection (D).

I. In the event a license is revoked, the person holding the revoked license is subject to the final monthly reporting requirement as provided in A.R.S. §§ 42-3462 and 42-3501 during the period of suspension.

Historical Note

R15-3-309. Inspection of Tobacco Product Retailers

A. A tobacco product retailer shall maintain any books, papers, invoices, and luxuries subject to the Department’s inspection under A.R.S. § 42-3151 in a place and manner at the retail operation that is accessible to the Department during normal business hours without a judicial warrant or prior written consent. For example, if a retailer or agent of the retailer uses the same property for residential purposes and as a business location, the retailer shall maintain its books, papers, invoices, records, and luxuries in a place and manner that is separate and apart from the residential portion so that the Department does not need a judicial warrant or written consent to inspect the business location on that property during normal business hours.

B. If the retailer maintains any books, papers, invoices, or records electronically, the retailer shall provide access to the data for the Department’s inspection at the business location, regardless of the data’s storage location. The retailer shall provide access at the business location in a place and manner that is accessible to the Department during normal business hours without a judicial warrant or the retailer’s prior written consent.

Historical Note
A.A.R. 1843, effective June 24, 2016 (Supp. 16-2).

R15-3-310. Vending Machine Identification and Inspection
A. An owner, operator, or person in possession of a vending machine shall ensure that any agent of the Department is able to inspect all cigarettes that are offered for sale using the vending machine. Except as provided in subsection (B), the owner, operator, or person in possession of the vending machine shall visibly display cigarettes in the vending machine so the Department’s agent is able to inspect the cigarettes in the machine to verify that the required cigarette tax stamps are properly affixed.

B. If the cigarettes cannot be visually inspected in a vending machine, the owner, operator, or person in possession of the machine shall have access to the cigarettes in the machine and shall permit the Department’s agent to inspect the cigarettes as needed to ensure they are properly affixed with tax stamps.

Historical Note

R15-3-311. Repealed

Historical Note

R15-3-312. Purchase of Cigarette Tax Stamps
A. A distributor shall obtain unaffixed cigarette tax stamps only from the Department. The Department shall not provide cigarette tax stamps to a person who does not hold a valid distributor’s license issued by the Department.

B. A distributor shall not sell, lend, give, purchase, or otherwise transfer cigarette tax stamps to or for another person at any time.

C. If a distributor remits payment for cigarette tax stamps by cashier’s check, company check, or money order, the payment shall bear one of the following:
   1. The name of the distributor purchasing the cigarette tax stamps as the purchaser or remitter, if the payment is made by cashier’s check or money order; or
   2. The name of the distributor purchasing the cigarette tax stamps as the drawer or maker, if the payment is made by company check.

Historical Note

R15-3-313. Invoice Issued by a Distributor
For the purpose of enforcing A.R.S. § 42-3452 and pursuant to A.R.S. § 42-3004, a distributor of tobacco products shall issue an invoice or equivalent documentation for each transaction that involves the sale, purchase, or consignment of tobacco products to a retailer or the distributor’s customer. The invoice or equivalent documentation shall include the distributor’s license number. A copy of the invoice or equivalent documentation shall be maintained in accordance with A.R.S. § 42-3405.

Historical Note

R15-3-314. Sales in Interstate or Foreign Commerce
Tobacco products sold by licensed distributors to purchasers located outside the state are exempt from tobacco taxes if the following conditions are met:
1. The distributor ships or delivers the tobacco products to a location outside the state for use outside the state;
2. The distributor files with the Department the applicable monthly return or report for the tobacco products being sold, in the form and manner required by the Department;
3. In the appropriate section of the return or report filed under subsection (2), the distributor indicates the amount of out-of-state sales and the party to whom the sales were made;
4. The distributor provides to the Department a copy of either the invoice issued by the distributor to the out-of-state party to whom the sales were made or a copy of the return or report filed with the taxing authority of the state of destination of the cigarettes or other tobacco products; and
5. Pursuant to A.R.S. § 42-3405, the distributor retains one copy of each return or report for four years following the close of the calendar year in which the tobacco products are sold.

Historical Note

R15-3-315. Credit Purchases of Cigarette Tax Stamps
A distributor may increase its credit limit for cigarette tax stamp purchases by increasing the amount of its bond on file with the Department.

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2). Amended effective November 5, 1986 (Supp. 86-6). Former Section R15-3-315 repealed, new Section R15-3-315 renumbered from R15-3-321 and amended effective June 20, 1990 (Supp. 90-2). Amended by final rulemaking at 5
Amended by final rulemaking at 14 A.R.S. 4410, effective January 3, 2009 (Supp. 08-4). Amended by exempt rulemaking at 22 A.A.R. 1843, effective June 24, 2016 (Supp. 16-2).

R15-3-316. Sale of Unstamped Cigarettes
A. Except as otherwise provided in A.R.S. Title 42, Chapter 3, Articles 10 and 11, a distributor shall file the applicable monthly return with the Department in the form and manner required by the Department showing that the distributor purchased a sufficient number of cigarette tax stamps to be affixed to all cigarettes it distributes in this state during the period. If the distributor does not provide this information, the Department shall presume the distributor sold unstamped cigarettes. In that case, and in addition to any other applicable penalties, the Department shall determine the amount of unstamped cigarettes sold by the distributor and shall issue a proposed deficiency assessment for any luxury tax found due. The proposed deficiency assessment becomes final unless the distributor protests the assessment within 45 days under A.R.S. § 42-1108 and 15 A.A.C. 10, Article 1.
B. If a retailer maintains or possesses cigarettes at its place of business that, upon the Department’s inspection, are loose or otherwise repackaged in a manner different from that distributed for sale by the cigarette manufacturer, the Department shall presume the retailer is offering the cigarettes for sale in violation of A.R.S. § 42-3456 unless the retailer establishes the contrary.

Historical Note

R15-3-317. Contraband and the Disposition of Seized Tobacco Products
A. Tobacco products considered to be contraband under A.R.S. § 42-3402 that are ordered, purchased or transported in violation of A.R.S. § 36-798.06 may be voluntarily reported by a person other than a licensed distributor and are subject to tax pursuant to A.R.S. § 36-798.06(E).
B. Except as provided in subsection (C), tobacco products seized by the Department under A.R.S. § 42-1124 are subject to return to a licensee that prevails in an appeal of the seizure.
C. Tobacco products shall be forfeited to the state and destroyed if the tobacco products constitute contraband tobacco products, as described in A.R.S. § 42-3402, or are subject to seizure and destruction under any other statute.

Historical Note
New Section made by exempt rulemaking at 19 A.A.R. 520, effective February 19, 2013 (Supp. 13-1). Amended by exempt rulemaking at 22 A.A.R. 1843, effective June 24, 2016 (Supp. 16-2).

R15-3-318. Refunds, Rebates and Redemption of Cigarette Tax Stamps
A. The Department does not bear the risk of loss or theft of cigarette tax stamps sold to a licensee and are no longer in the Department’s possession.
B. The Department is not obligated to issue a refund or rebate for or to redeem lost cigarette tax stamps or cigarette tax stamps rendered unusable due to a licensee’s mistake in the handling, usage or recordkeeping of stamps in the licensee’s possession.
C. The Department is not obligated to issue a refund for cigarette tax stamps unless the licensee proves it is entitled to a refund under one of the conditions of A.R.S. § 42-3008(A) and, if applicable, meets the requirements of A.A.C. R15-3-314.
D. Pursuant to A.R.S. § 42-3008(C), the Department will not issue a refund for cigarette tax stamps affixed to tobacco products that are deemed contraband under A.R.S. Title 42, Chapter 3.
E. Except as provided in subsections (A) and (B) above, the Department shall redeem unused or spoiled cigarette tax stamps that satisfy all conditions of A.R.S. § 42-3460, provided the Department first receives a complete request for redemption. To request a redemption, the licensee shall submit a request to the Department and the unused or spoiled stamps sought to be redeemed. The Department shall not issue a redemption unless the Department receives the cigarette tax stamps sought to be redeemed.
F. Except as provided in subsections (A) and (B) above, the Department may issue a rebate of taxes paid on tobacco products pursuant to Article 7 of A.R.S. Title 42, Chapter 3 if the licensee establishes entitlement to the rebate pursuant to A.R.S. § 42-3406. The request for a rebate and all supporting documentation shall be submitted through the electronic filing system established by the Department.

Historical Note

R15-3-319. Cigarette Samples
A. A person shall not distribute loose individual cigarettes or cigarette packs containing less than 20 cigarettes within the state regardless of whether the cigarettes or cigarette packs are distributed free of charge or as samples.
B. A person may distribute cigarettes packaged in quantities of 20 or 25 as samples if the samples were obtained from a licensed distributor that reported the samples.
C. A person may distribute tobacco products other than cigarettes as samples within Arizona if the samples were first obtained from a licensed distributor that timely reported and remitted payment of applicable state tobacco taxes on the samples.
D. Any person providing samples of cigarettes, as described under subsection (B), or samples of other tobacco products, as described under subsection (C), should retain invoices from the licensed distributor that reported the samples.

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2). Former Section R15-3-319 renumbered to R15-3-314 effective June 20, 1990 (Supp. 90-2). New Section R15-3-319 made by exempt rulemaking at 22 A.A.R. 1843, effective June 24, 2016 (Supp. 16-2).

R15-3-320. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
ARTICLE 4. TAX ON ALCOHOLIC BEVERAGES

R15-3-401. Tax Return Filing Requirements for a Malt Liquor Wholesaler
On or before the statutory deadline each month, each wholesaler of malt liquor shall file a return on a form prescribed by the Department. The return shall show the following:

1. Taxpayer’s name, mailing address, business address, liquor license number issued by the Department of Liquor Licenses and Control, and identification number;
2. The itemized quantity of malt liquor purchased during the month the tax accrued, listed by supplier and invoice number;
3. The itemized quantity of tax-free sales of malt liquor during the month the tax accrued, listed by purchaser and invoice number;
4. The itemized quantity of out-of-state sales of malt liquor during the month the tax accrued, listed by purchaser and invoice number;
5. The itemized quantity of malt liquor purchased from other licensed Arizona wholesalers during the month the tax accrued, listed by supplier and invoice number;
6. The total quantity of malt liquor purchased in Arizona during the month the tax accrued;
7. The amount of luxury tax accrued during the month; and
8. Supporting documentation for the information provided in the return.

Historical Note

R15-3-402. Tax Return Filing Requirements for a Spirituous or Vinous Liquor Wholesaler
On or before the statutory deadline each month, each spirituous or vinous liquor wholesaler shall file a return on a form prescribed by the Department. The return shall show the following:

1. Taxpayer’s name, mailing address, business address, liquor license number issued by the Department of Liquor Licenses and Control, and identification number;
2. The itemized quantity of spirituous or vinous liquor purchased during the month the tax accrued, listed by purchaser and invoice number;
3. The itemized quantity of spirituous or vinous liquor received during the month the tax accrued, listed by supplier and invoice number;
4. The total quantity of spirituous or vinous liquor available at the beginning and at the end of the month the tax accrued;
5. The itemized quantity of tax-free sales of spirituous or vinous liquor during the month the tax accrued, listed by purchaser and invoice number;
6. The itemized quantity of out-of-state sales of spirituous or vinous liquor during the month the tax accrued, listed by purchaser and invoice number;
7. The itemized quantity of spirituous or vinous liquor sold to other licensed Arizona wholesalers during the month the tax accrued, listed by purchaser and invoice number;
8. The total quantity of spirituous or vinous liquor sold in Arizona during the month the tax accrued;
9. The amount of luxury tax accrued during the month; and
10. Supporting documentation for the information provided in the return.

Historical Note

R15-3-403. Tax Return Filing Requirements for a Domestic Microbrewery, Domestic Farm Winery, or Beer Manufacturer
On or before the statutory deadline each month, each domestic microbrewery, domestic farm winery, or beer manufacturer subject to A.R.S. § 42-3355 shall file a return on a form prescribed by the Department. The return shall show the following:

1. Taxpayer’s name, mailing address, business address, liquor license number issued by the Department of Liquor Licenses and Control, and identification number;
2. The itemized quantity of tax-free sales to Arizona purchasers during the month the tax accrued, listed by purchaser and invoice number;
3. For taxpayers filing for locations physically within the state, the itemized quantity of out-of-state sales during the month the tax accrued, listed by purchaser and invoice number;
4. The itemized quantity of beer, malt liquor, or vinous liquor sold to other licensed Arizona wholesalers during the month the tax accrued, listed by purchaser and invoice number;
5. The total quantity of beer, malt liquor, or vinous liquor sold to Arizona purchasers during the month the tax accrued;
6. The amount of luxury tax accrued during the month; and
7. Supporting documentation for the information provided in the return.

Historical Note

R15-3-404. Taxes Remitted
Any domestic farm winery or domestic microbrewery required under A.R.S. Title 4, Chapter 2, Article 1 to remit transaction privilege tax shall remit the tax under the retail classification (see 15 A.A.C. 5, Article 1) on its gross receipts from the sale in addition to luxury tax, regardless of its business location.

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2). Section repealed by final rulemaking at 5 A.A.R. 3768, effective September 22, 1999 (Supp. 99-3). New Section made by final rulemaking at 14 A.A.R. 4410, effective January 3,
The Department shall report any failure by a licensee to file a return or pay the tax due to the Department of Liquor Licenses and Control, and the Department shall request that the Department of Liquor Licenses and Control take any applicable action authorized under A.R.S. Title 4.

**Historical Note**

## ARTICLE 5. ADMINISTRATION

### R15-3-501. Filing of Luxury Tax Reports and Returns

The Department shall deem a report or return required to be filed under A.R.S. Title 42, Chapter 3 or this Chapter timely filed if the taxpayer submits the report or return through the electronic filing system established by the Department on or before the statutory due date.

**Historical Note**

### R15-3-502. Repealed

**Historical Note**

### R15-3-503. Repealed

**Historical Note**

### R15-3-504. Repealed

**Historical Note**

### R15-3-505. Repealed

**Historical Note**

### R15-3-506. Repealed

**Historical Note**

### R15-3-507. Repealed

**Historical Note**

### R15-3-508. Repealed

**Historical Note**

### R15-3-509. Repealed

**Historical Note**
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective February 22, 1989 (Supp. 89-1).

R15-3-510. Expired

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Amended effective June 20, 1990 (Supp. 90-2). Section expired under A.R.S. § 41-1056(E) at 9 A.A.R. 4135, effective July 31, 2003 (Supp. 03-3).

R15-3-511. Repealed

R15-3-512. Repealed

Historical Note
Adopted effective March 18, 1981 (Supp. 81-2).
Repealed effective February 22, 1989 (Supp. 89-1).