

Requirements to Become a Washington Cigarette Wholesaler

Licensing:

To obtain a business license, complete a Master Business Application. The application is available on Department of Licensing's (DOL) website at <http://dol.wa.gov> or call (360) 664-1400.

You will also need to:

1. Obtain a Cigarette Wholesalers Specialty License.
2. Obtain proper bonds.
3. Complete a Personal / Criminal History Statement.

Cigarette Wholesalers License:

In addition to the business license, you must apply for a cigarette wholesaler's license. Application is made on the Master Application form. Cost is \$650 for the first location and is renewed annually. A cigarette wholesaler's license is required for each business location. The cost for each additional location is \$115 and is renewed annually.

Bonding:

The proper bonds may be obtained from an insurance company. Complete the [Wholesale Cigarette Dealers Bonding form \(REV 82 2060\)](#) available on our website at <http://dor.wa.gov>.

A minimum \$5,000 proper performance Bond is required of every wholesaler.

An **Unstamped Cigarette Bond** is required of all in-state wholesalers who possess unstamped cigarettes for longer than 72 hours and/or make sales of cigarettes that don't bear the Washington State taxable cigarette tax stamp.

A **Deferred Payment Bond** allows a wholesaler to defer cigarette stamp payments up to 30 days. Otherwise, payment is due at the time of purchase.

Personal / Criminal History Statement:

The Personal/Criminal History Statement is required at the time of initial licensing. The form is available from the DOL website at <http://www.dol.wa.gov/forms/700301.pdf>. A statement checklist is also available for your use at <http://www.liq.wa.gov/publications/ChckLst4PERSCRIMHISTFORM.pdf>.

Purchasing Cigarette Tax Stamps:

To purchase Washington cigarette tax stamps, contact the Department of Revenue (DOR) at (360) 570-3265. Payments for stamps are processed by Electronic Funds Transfer. You must complete an [Electronic Funds Authorization form for cigarette tax stamps \(REV 82 2078\)](#).

To affix the cigarette tax stamps to the packages, you will need cigarette tax stamping equipment. Two companies provide stamping equipment:

- 1) The Meyercord Company
475 Village Dr
Carol Stream, IL 60188
716-681-8222
www.meyercord.com
- 2) R.E.D. Stamp Inc
PO Box 9967
Wyoming, MI 49509-0967
Toll free 1-877-Redstamp
www.redstampinc.com

Reporting of Interstate and Tax-Exempt Sales of Cigarettes:

Interstate sales and tax exempt sales of cigarettes must be reported monthly to DOR on form [Schedule C \(REV 82 2103\)](#).

Reporting of Sales of Cigarettes Manufactured by Non-Participating Manufacturers (NPM):

As part of the Master Settlement Agreement between certain cigarette manufacturers and the State of Washington, DOR is required to collect information about cigarettes and roll-your-own tobacco sold in Washington. These sales are reported monthly on the [NPM Reporting form \(REV 82 2107\)](#).

Shipments of Unstamped Cigarettes:

Pre-notification to the Washington State Liquor Control Board is required for all shipments of unstamped cigarettes in Washington unless delivery is in the licensed and bonded cigarette wholesaler's own vehicle. Pre-notification must be reported to the Liquor Control Board on form [LIQ 662-60](#).

Requirements to Become a Washington Cigarette Wholesaler (cont.)

Sales to Indians and Indian Tribes Licensing and Bonding:

Complete all steps to become a Washington licensed and bonded cigarette wholesaler.

Indian Tribes without a Cigarette Tax Compact:

Approval Prior to Delivery:

For each delivery of tax-exempt cigarettes to an Indian retailer, the wholesaler must obtain approval **in advance of tax exempt stamping and delivery**. DOR will verify that the number of cartons to be sold is within the annual allocation of tax-exempt cigarettes available to that tribe or Indian retailer. DOR will also verify that the retailer is authorized by the tribe to participate in the tribe's allocation process.

Stamps:

Cigarettes sold to Indians and Indian Tribes must bear a Washington cigarette stamp. Cigarettes sold to non-Indian purchasers by Indian retailers must have the Washington tax-paid stamp affixed. Cigarettes sold to Indian purchasers by Indian retailers must have Washington's tax-exempt stamp affixed. Tax-exempt stamps are available from DOR at no cost.

A stamping allowance is paid to cigarette wholesalers for the tax-exempt stamps they have affixed. Wholesalers must file the [Stamping Allowance Computation Worksheet REV \(82 2104\)](#).

Sales to Indian retailers beyond their annual cigarette allocation must bear the Washington cigarette tax paid stamp.

Delivery:

Tax-exempt cigarette sales to Indian retailers must be delivered by a bonded carrier or in the wholesaler's own vehicle to the Indian reservation. Delivery at the wholesaler's dock or to any other off-reservation location is prohibited unless the cigarettes are accompanied by an invoice.

Reports Required:

Sales of tax-exempt cigarettes are reported monthly to DOR on [Schedule C \(REV 82 2103\)](#).

Indian Tribes with Cigarette Tax Compact:

Under RCW 43.06.450, Indian Tribes may contract with the state to enact a Tribal cigarette tax in lieu of all state cigarette taxes and state and local sales and use taxes. Cigarette tax compacts shall provide that all cigarettes possessed or sold by a retailer shall bear a state or tribal cigarette stamp. For more information on sales to Tribes that have signed a Cigarette Tax Compact, please contact DOR.

Applicable Laws & Rules

[Chapter 82.24 RCW](#) – Tax on Cigarettes

[Chapter 82.26 RCW](#) – Tax on Tobacco Products

[Chapter 70.155 RCW](#) – Tobacco, Access to Minors

[Chapter 70.157 RCW](#) – National Uniform Tobacco Settlement

[WAC 458-20-185](#) – Tax on Tobacco Products

[WAC 458-20-186](#) – Tax on Cigarettes

[WAC 458-20-192](#) – Indians & Indian Country

[WAC 458-20-264](#) – National Uniform Tobacco Settlement

How to Contact us:

Laws, rules, and forms are available on DOR's home page at <http://dor.wa.gov>.

If you have additional questions, please call (360) 570-3265, or write to:

Department of Revenue
Special Programs Division
PO Box 47477
Olympia WA 98504-7477

For tax assistance visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.