

**453A.40 Inventory tax.**

1. All persons required to obtain a permit or to be licensed under [section 453A.13](#) or [section 453A.44](#) having in their possession and held for resale on the effective date of an increase in the tax rate cigarettes, little cigars, or tobacco products upon which the tax under [section 453A.6](#) or [453A.43](#) has been paid, unused cigarette tax stamps which have been paid for under [section 453A.8](#), unused metered imprints which have been paid for under [section 453A.12](#), or tobacco products for which the tax has not been paid under [section 453A.46](#) shall be subject to an inventory tax on the items as provided in [this section](#).

2. Persons subject to the inventory tax imposed under [this section](#) shall take an inventory as of the close of the business day next preceding the effective date of the increased tax rate of those items subject to the inventory tax for the purpose of determining the tax due. These persons shall report the tax on forms provided by the department of revenue and remit the tax due within thirty days of the prescribed inventory date. The department of revenue shall adopt rules as are necessary to carry out [this section](#).

3. The rate of the inventory tax on each item subject to the tax as specified in [subsection 1](#) is equal to the difference between the amount paid on each item under [section 453A.6](#), [453A.8](#), [453A.12](#), or [453A.43](#) prior to the tax increase and the amount that is to be paid on each similar item under [section 453A.6](#), [453A.8](#), [453A.12](#), or [453A.43](#) after the tax increase except that in computing the rate of the inventory tax any discount allowed or allowable under [section 453A.8](#) shall not be considered.

[88 Acts, ch 1005, §2](#)

[C89, §98.40](#)

[C93, §453A.40](#)

[2003 Acts, ch 145, §286; 2007 Acts, ch 17, §7, 11, 12](#)

Referred to in [§453A.43](#)