

**701—231.8(453A) Manufacturer’s samples and replacement packages.**

**231.8(1)** *Free samples.* Iowa Code section 453A.39 provides an exclusive method for manufacturers to distribute free sample packages of cigarettes or little cigars. In addition to the requirements under Iowa Code section 453A.39, the cigarettes or little cigars must also be clearly marked “sample” and contain an acknowledgment that the tax was paid on each carton containing free samples. The tax to be paid must be computed on a per cigarette basis rather than a per package basis.

**231.8(2)** *Distributor affidavit.* The department will stamp the distributor’s affidavit containing the remittance and return a copy of the affidavit to the distributor as the acknowledgment that taxes have been paid on the samples.

*a.* After receiving the acknowledgment, and before the sample cigarettes are distributed, each distributor is requested to stamp the cartons of free samples with a stamp containing the distributor’s name, permit number and the words “IOWA STATE TAX PAID.”

*b.* In the event the distributor needs acknowledgment sooner, the distributor may request that the department acknowledge by telephone and follow up with the affidavit acknowledgment at a later date.

*c.* In the event sample cigarettes must be returned to the manufacturer for some reason, a refund of the taxes previously paid will be made to the distributor that actually remitted the tax to the department. The refund will be made in the same manner as for regular cigarettes by the distributor filing the appropriate forms with the department.

**231.8(3)** *Replacement packages.* A manufacturer wants to respond to a customer complaint by replacing a package of 20 cigarettes purchased by the customer with another package of 20 cigarettes.

*a.* The replacement package must be clearly marked with the words “COMPLIMENTARY. NOT FOR SALE. ALL APPLICABLE STATE TAXES PAID.”

*b.* The manufacturer may pay the tax directly to the department by submitting an affidavit to the department containing the number of replacement packages sent into the state during the previous month, along with the remittance. The number of replacement packages and remittance may be submitted as part of the manufacturer’s affidavit required under Iowa Code section 453A.39.

This rule is intended to implement Iowa Code sections 453A.1, 453A.13, 453A.16, 453A.22, 453A.31, and 453A.39.

[ARC 9039C, IAB 3/19/25, effective 4/23/25]