

701—231.9(453A) Refund of tax—unused and destroyed stamps.**231.9(1) Refunds of unused stamps and destroyed stamps.**

a. Refunds shall be issued for unused stamps that are returned to the department for any reason by a person entitled to receive a refund. This includes:

(1) Unused stamps unaffixed at the close of the business day next preceding the effective date of a decrease in the tax rate that are in excess of the unstamped cigarette inventory on hand as of that date.

(2) Stamps that are recalled by the director for purposes of effectuating a change of design of the stamps.

(3) Stamps that have been lost through destruction, since destroyed stamps have not been used. For purposes of this rule, destruction means destruction by fire, flood, other act of God as defined in 701—subrule 10.7(1), or other destruction not reasonably anticipated or foreseen and outside the control of the person seeking the refund. The claim for refund must be supported by proof of the fact of the loss and proof of the quantity of the loss. The claim must be filed within 30 days of the loss.

b. Refunds will not be issued for stamps that are lost (misplaced) or stolen because it is the distributor's or manufacturer's responsibility to maintain proper control over cigarette tax stamps.

c. Banks that are authorized to sell stamps or meter settings are not authorized to issue a refund; the stamps must be returned to the department and a refund will be issued only by the department.

231.9(2) Return of used stamps.

a. Refunds shall be issued for stamps that have been affixed to cigarettes that have become unfit for use or consumption or unsaleable. This refund is available to any permitted distributor or manufacturer upon proof that the cigarettes were returned to the manufacturer of the cigarettes.

b. The proof required shall be an affidavit from the distributor setting forth to whom the cigarettes were returned and verifying that cigarette stamps had been affixed thereto. An affidavit from the manufacturer to which the cigarettes were returned verifying the information must also be included.

231.9(3) Cigarettes that have been destroyed.

a. The tax shall be returned on cigarettes that have been destroyed after the tax stamps have been affixed to the person stamping the cigarettes. No refund is allowed for lost or stolen cigarettes.

b. The person claiming the loss must be able to prove the fact of the loss and quantity of the loss. The claim, on the form required by the department and accompanied by proof of the loss and proof of the quantity of the loss, must be filed with the department no later than 30 days following the date the loss occurred.

c. The amount of the refund shall be the face value of the stamps less the applicable discount allowed purchasers of tax stamps.

231.9(4) No credit in lieu of a refund. There are no statutory provisions to allow a credit in lieu of a refund of taxes paid for returned or destroyed cigarette stamps.

This rule is intended to implement Iowa Code section 453A.8.

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