

701—232.2(453A) Permits.

232.2(1) *Generally.* If the person holds a valid cigarette permit of any kind, the permit will be issued without cost if all other requirements for the permit are met, but the permit must still be obtained. A tobacco retailer is required to obtain a retail cigarette/tobacco permit.

232.2(2) *Distributor permit.*

a. Every person operating as a tobacco distributor as defined in Iowa Code section 453A.42 must obtain a tobacco distributor's permit.

b. In any distribution scheme whereby tobacco products are imported into this state for sale, there must be at least one distributor.

EXAMPLE 1: Manufacturer, Inc. is in the business of processing tobacco products in the state of North Carolina. Retailer, Inc. is in the business of selling tobacco products at retail in the state of Iowa. If Manufacturer, Inc. ships tobacco products directly to Retailer, Inc., f.o.b. manufacturer's plant, both are performing the functions of a distributor; Manufacturer, Inc. is selling tobacco products without this state and shipping them directly to a retailer in this state, and Retailer, Inc. is causing tobacco products to be brought into this state from without the state for the purpose of sale. Therefore, at least one of the parties must obtain a distributor permit.

EXAMPLE 2: Manufacturer, Inc. is in the business of processing tobacco products in the state of North Carolina. Retailer, Inc. is in the business of selling tobacco products at retail in the state of Iowa. If Manufacturer, Inc. ships tobacco products directly to Retailer, Inc., f.o.b. retailer's place of business, Manufacturer, Inc. is acting as a distributor and Retailer, Inc. is not. Manufacturer, Inc. is selling tobacco products without this state and shipping them directly to a retailer in this state. Retailer, Inc. is not causing tobacco products to be brought into this state from without the state. Therefore, in this example, Manufacturer, Inc. must obtain a distributor permit.

232.2(3) *Subjobber's permit.*

a. Every person, other than persons permitted as tobacco distributors, operating as a tobacco subjobber, as defined in Iowa Code section 453A.42, must obtain a tobacco subjobber's permit.

b. A single subjobber's permit is sufficient for the subjobber's entire activities within the state because it is not issued for each place of business.

This rule is intended to implement Iowa Code section 453A.44.

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