

701—232.3(453A) Distributor bond.

232.3(1) *Generally.* A bond in the amount of \$1,000 is required to be posted before a distributor's permit can be issued, regardless of whether or not the distributor is permitted and bonded as a cigarette permittee.

232.3(2) *Aggregation.* If the distributor has a cigarette permit of any kind and is required to post a bond thereunder, the amount of the cigarette bond(s) and the tobacco bond(s) may be aggregated to reach a single bond requirement, and the distributor may provide a single bond in the aggregate amount provided the bond may be used to discharge either a cigarette tax liability or a tobacco tax liability. Rule 701—230.4(453A) provides more information about bonds.

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

[ARC 9040C, IAB 3/19/25, effective 4/23/25]