

**House Study Bill 90 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

**A BILL FOR**

1 An Act relating to cigarette and tobacco product regulations  
2 including vapor products by requiring the electronic filing of  
3 returns and other related matters, and providing penalties.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 453A.1, subsection 27, Code 2025, is  
2 amended to read as follows:

3 27. "State permit" shall mean and include all permits issued  
4 by the department ~~to distributors, wholesalers, and retailers~~  
5 under this chapter except the permits issued to retailers  
6 approved by cities and counties pursuant to sections 453A.13 and  
7 453A.47A.

8 Sec. 2. Section 453A.6, subsection 8, paragraph a, Code 2025,  
9 is amended to read as follows:

10 a. Pay directly to the department, in lieu of the tax  
11 under subsection 1, a tax equal to three and six hundredths  
12 cents on each cigarette dispensed from such machine. Payments  
13 made under this paragraph shall be remitted to the department  
14 electronically.

15 Sec. 3. Section 453A.8, subsection 2, Code 2025, is amended  
16 to read as follows:

17 2. Orders for cigarette tax stamps, including the payment  
18 for such stamps, shall be ~~sent direct~~ made to the department  
19 electronically on a form to be prescribed by the director, except  
20 as provided in subsection 6.

21 Sec. 4. Section 453A.13, subsection 2, paragraph a, Code  
22 2025, is amended to read as follows:

23 a. The department shall issue state permits to distributors,  
24 wholesalers, and cigarette vendors, and retailers that make  
25 delivery sales of alternative nicotine products and vapor  
26 products, subject to the conditions provided in this subchapter.  
27 If an out-of-state retailer makes delivery sales of alternative  
28 nicotine products or vapor products, an application shall be  
29 filed with the department electronically and a permit shall  
30 be issued for the out-of-state retailer's principal place of  
31 business. Cities may ~~issue~~ approve retail ~~permits to retailers~~  
32 permit applications for applicants with a place of business  
33 located within their respective limits. County boards of  
34 supervisors may ~~issue~~ approve retail ~~permits to retailers~~ permit  
35 applications for applicants with a place of business in their

1 respective counties, outside of the corporate limits of cities.  
2 Upon approval of a retail permit application by a city or  
3 county, the department shall issue the permit to the applicant  
4 on behalf of the city or county, in the manner determined by the  
5 department. A city or county shall use the electronic portal  
6 of the department to process retail permit applications. A city  
7 or county that is unable to use the electronic portal of the  
8 department may request permission from the director to process  
9 retail applications by another method.

10 Sec. 5. Section 453A.13, subsection 2, paragraph c, Code  
11 2025, is amended to read as follows:

12 ~~c. A city or county shall submit a duplicate of any~~  
13 ~~application for a retail permit to the department within thirty~~  
14 ~~days of the issuance. The department shall submit the current~~  
15 list of all retail permits issued to the department of health and  
16 human services by the last day of each quarter of a state fiscal  
17 year.

18 Sec. 6. Section 453A.13, subsection 3, paragraph a, Code  
19 2025, is amended to read as follows:

20 a. All permits provided for in this subchapter shall expire  
21 on June 30 of each year. A permit shall not be granted or issued  
22 until the applicant has paid the fees to the department required  
23 in this subchapter for the next period ending on June 30 next,  
24 ~~to the department or the city or county granting the permit,~~  
25 ~~the fees provided for in this subchapter.~~ The annual state  
26 permit fee for a distributor, cigarette vendor, and wholesaler  
27 is one hundred dollars when the permit is granted during the  
28 months of July, August, or September. However, whenever a  
29 state permit holder operates more than one place of business, a  
30 duplicate state permit shall be issued for each additional place  
31 of business on payment of five dollars for each duplicate state  
32 permit, but refunds as provided in this subchapter do not apply  
33 to any duplicate permit issued.

34 Sec. 7. Section 453A.13, subsection 5, unnumbered paragraph  
35 1, Code 2025, is amended to read as follows:

1 Permits shall be issued only upon applications accompanied by  
2 the fee indicated above, and by an adequate bond as provided in  
3 section 453A.14, and upon forms furnished by the department ~~upon~~  
4 ~~written request. The failure to furnish such forms shall be no~~  
5 ~~excuse for the failure to file the forms unless absolute refusal~~  
6 ~~is shown.~~ Applications, any supporting documentation, and the  
7 associated fees required by this section shall be submitted to  
8 the department electronically. The forms shall set forth all of  
9 the following:

10 Sec. 8. Section 453A.13, subsection 9, unnumbered paragraph  
11 1, Code 2025, is amended to read as follows:

12 Each permit issued shall describe clearly the place of  
13 business for which it is issued, shall be nonassignable,  
14 consecutively numbered, designating the kind of permit, and shall  
15 authorize the sale of cigarettes, alternative nicotine products,  
16 or vapor products in this state subject to the limitations and  
17 restrictions herein contained. The retail permits shall be upon  
18 forms furnished by the department ~~or on forms made available or~~  
19 ~~approved by the department.~~

20 Sec. 9. Section 453A.14, subsection 1, unnumbered paragraph  
21 1, Code 2025, is amended to read as follows:

22 ~~No~~ A state or manufacturer's permit shall not be issued until  
23 the applicant files a bond, with good and sufficient surety, to  
24 be approved by the director, which bond shall be in favor of  
25 the state and conditioned upon the payment of taxes, damages,  
26 fines, penalties, and costs adjudged against the permit holder  
27 for violation of any of the provisions of this subchapter. The  
28 bonds shall be on forms prescribed by the director and shall be  
29 filed electronically. A bond filed under this section shall be  
30 in one of the following amounts:

31 Sec. 10. Section 453A.14, subsection 2, Code 2025, is amended  
32 to read as follows:

33 2. A person shall not engage in interstate business unless  
34 the person files a bond, with good and sufficient surety in an  
35 amount of not less than one thousand dollars. A bond required by

1 this subsection shall be on forms prescribed by the director and  
2 shall be filed electronically. The amount of the bond required  
3 of the person shall be fixed by the director, subject to the  
4 minimum limitation provided in this section. The bond is subject  
5 to approval by the director and shall be payable to the state  
6 in Des Moines, Polk county, and conditioned upon the payment  
7 of taxes, damages, fines, penalties, and costs adjudged against  
8 the person for violation of any of the requirements of this  
9 subchapter affecting the person, on a form prescribed by the  
10 director.

11 Sec. 11. Section 453A.15, subsection 7, Code 2025, is amended  
12 to read as follows:

13 7. ~~The director may require by rule that~~ Any reports required  
14 to be made under this subchapter shall be filed by ~~electronic~~  
15 ~~transmission~~ electronically.

16 Sec. 12. Section 453A.16, Code 2025, is amended to read as  
17 follows:

18 **453A.16 Manufacturer's permit.**

19 The department may, upon application of any manufacturer,  
20 issue without charge to the manufacturer a manufacturer's permit.  
21 The application shall contain information as the director  
22 shall prescribe and the application shall be submitted to the  
23 department electronically. The holder of a manufacturer's permit  
24 is authorized to purchase stamps from the department, and must  
25 affix stamps to individual packages of cigarettes outside of  
26 this state, prior to their shipment into the state unless the  
27 cigarettes are shipped to an Iowa permitted distributor or an  
28 Iowa permitted distributor's agent.

29 Sec. 13. Section 453A.17, subsection 1, Code 2025, is amended  
30 to read as follows:

31 1. Every distributing agent in the state, now engaged, or  
32 who desires to become engaged, in the business of storing  
33 unstamped cigarettes which are received in interstate commerce  
34 for distribution or delivery only upon order received from  
35 without the state or to be sold outside the state, shall

1 file with the department electronically, an application for  
2 a distributing agent's permit, on a form prescribed by the  
3 director, ~~to be furnished upon written request. The failure~~  
4 ~~to furnish shall be no excuse for the failure to file the same~~  
5 ~~unless an absolute refusal is shown.~~ Said form shall set forth  
6 the name under which such distributing agent transacts or intends  
7 to transact such business as a distributing agent, the principal  
8 office and place of business in Iowa to which the permit is to  
9 apply, and if other than an individual, the principal officers  
10 or members thereof and their addresses. The director may require  
11 any other information in said application. No distributing agent  
12 shall engage in such business until such application has been  
13 filed and fee in the sum of one hundred dollars paid for the  
14 permit and until the permit has been obtained. Such permit  
15 shall expire on June 30 following the date of issuance. All of  
16 the provisions of the last two paragraphs of section 453A.14,  
17 relative to bonds, are incorporated herein and by this reference  
18 made applicable to distributing agents. Upon failure to furnish  
19 adequate bond as required, the permit shall be revoked without  
20 hearing. An application shall be filed and a permit obtained for  
21 each place of business owned or operated by a distributing agent.

22 Sec. 14. Section 453A.18, Code 2025, is amended to read as  
23 follows:

24 **453A.18 Forms for records and reports.**

25 The department shall ~~furnish or~~ make available in electronic  
26 form, without charge, to holders of the various permits, forms  
27 ~~in sufficient quantities~~ to enable permit holders to make the  
28 reports required to be made under this subchapter. The permit  
29 holders shall furnish at their own expense the books, records,  
30 and invoices, required to be used and kept, but the books,  
31 records, and invoices shall be in exact conformity to the forms  
32 prescribed for that purpose by the director, and shall be kept  
33 and used in the manner prescribed by the director. However, the  
34 director may, by express order in certain cases, authorize permit  
35 holders to keep their records in a manner and upon forms other

1 than those prescribed. The authorization may be revoked at any  
2 time. A report, book, record, invoice, and any other document  
3 required to be submitted to the department under this subchapter  
4 shall be submitted electronically.

5 Sec. 15. Section 453A.23, subsections 1 and 2, Code 2025, are  
6 amended to read as follows:

7 1. Subject to this subchapter, a retailer's permit may be  
8 issued by the department to any dining car company, sleeping car  
9 company, railroad or railway company. The permit shall authorize  
10 the holder to keep for sale, and sell, cigarettes at retail  
11 on any dining car, sleeping car, or passenger car operated by  
12 the applicant in, through, or across the state of Iowa, subject  
13 to all of the restrictions imposed upon retailers under this  
14 subchapter. The application for the permit shall be in the form  
15 and contain the information required by the director and each  
16 application submitted under this section shall be submitted to  
17 the department electronically. Each permit is good throughout  
18 the state. Only one permit is required for all cars operated in  
19 this state by the applicant, but a duplicate of the permit shall  
20 be posted in each car in which cigarettes are sold and no further  
21 permit shall be required or tax levied for the privilege of  
22 selling cigarettes in the cars. ~~No cigarettes~~ Cigarettes shall  
23 not be sold in the cars without having affixed thereto stamps  
24 evidencing the payment of the tax as provided in this subchapter.

25 2. As a condition precedent to the issuing of a retailer's  
26 permit for railway car, the applicant shall file with the  
27 department a bond in favor of the state for the benefit of  
28 all parties interested in the amount of five hundred dollars  
29 conditioned upon the payment of all taxes, fines and penalties  
30 and costs in this subchapter. A bond filed under this subsection  
31 shall be on a form prescribed by the director and shall be filed  
32 electronically.

33 Sec. 16. Section 453A.24, subsection 2, Code 2025, is amended  
34 to read as follows:

35 2. The director may require by rule that common carriers or

1 the appropriate persons provide monthly reports to the department  
2 detailing all information the department deems necessary on  
3 shipments into and out of Iowa of cigarettes and tobacco products  
4 as set forth in this subchapter I and subchapter II of this  
5 chapter. ~~The director may require by rule that the reports A~~  
6 report required to be submitted by the director pursuant to this  
7 section shall be filed by electronic transmission electronically.

8 Sec. 17. Section 453A.28, subsection 1, paragraph a, Code  
9 2025, is amended to read as follows:

10 a. (1) If after any audit, examination of records, or other  
11 investigation the department finds that any person has sold  
12 cigarettes without stamps affixed or that any person responsible  
13 for paying the tax has not done so as required by this  
14 subchapter, the department shall fix and determine the amount of  
15 tax due, and shall assess the tax against the person, together  
16 with a penalty as provided in section 421.27.

17 (2) The taxpayer shall pay interest on the tax or additional  
18 tax at the rate determined under section 421.7 counting each  
19 fraction of a month as an entire month, computed from the date  
20 the tax was due. If any person fails to furnish evidence  
21 satisfactory to the director showing purchases of sufficient  
22 stamps to stamp unstamped cigarettes purchased by the person,  
23 the presumption shall be that the cigarettes were sold without  
24 the proper stamps affixed. Within three years after the report  
25 is filed or within three years after the report became due,  
26 whichever is later, the department shall examine the report and  
27 determine the correct amount of tax. The period for examination  
28 and determination of the correct amount of tax is unlimited in  
29 the case of a false or fraudulent report made with the intent to  
30 evade tax, or in the case of a failure to file a report, or if a  
31 person purchases or is in possession of unstamped cigarettes.

32 (3) For purposes of imposing penalties under this section and  
33 section 421.27, a person who fails to timely file or submit a  
34 required return, report, or other documentation upon which no  
35 tax is shown due is subject to a penalty in the amount of fifty

1 dollars for each occurrence.

2 Sec. 18. Section 453A.28, subsection 1, Code 2025, is amended  
3 by adding the following new paragraph:

4 NEW PARAGRAPH. c. For purposes of this section and section  
5 421.27, any application, bond, fee, report, return, remittance,  
6 or other documentation required to be submitted electronically  
7 under this subchapter that is filed in a manner other than in  
8 an electronic format specified by the department shall not be  
9 considered a valid submission unless the director has permitted  
10 submission of such application, bond, fee, report, return,  
11 remittance, or other documentation through an alternative method  
12 pursuant to section 453A.57.

13 Sec. 19. Section 453A.35, subsection 1, paragraph a, Code  
14 2025, is amended to read as follows:

15 a. With the exception of revenues credited to the health care  
16 trust fund pursuant to paragraph "b", the proceeds derived from  
17 the sale of stamps and the payment of fees and penalties provided  
18 for under this chapter, and the permit fees received from all  
19 state permits issued by the department, shall be credited to the  
20 general fund of the state.

21 Sec. 20. Section 453A.35, subsection 2, Code 2025, is amended  
22 to read as follows:

23 2. All permit fees provided for in this chapter and collected  
24 by the department on behalf of cities in the issuance of permits  
25 granted by the cities shall be paid remitted by the department  
26 to the treasurer of the city where the permit is effective, ~~or~~  
27 ~~to another city officer as designated by the council,~~ and shall  
28 be credited to the general fund of the city. Permit fees so  
29 collected by the department on behalf of counties shall be paid  
30 remitted to the county treasurer of the county where the permit  
31 is effective.

32 Sec. 21. Section 453A.39, subsection 2, paragraph a, Code  
33 2025, is amended to read as follows:

34 a. All cigarette samples shall be shipped only to a  
35 distributor that has a permit to stamp cigarettes or little

1 cigars with Iowa tax. All cigarette samples must have a  
2 cigarette stamp. The manufacturer shipping samples under this  
3 section shall send an affidavit to the director stating the  
4 shipment information, including the date shipped, quantity, and  
5 to whom the samples were shipped. The distributor receiving  
6 the shipment shall send an affidavit to the director stating  
7 the shipment information, including the date shipped, quantity,  
8 and from whom the samples were shipped. These affidavits shall  
9 be duly notarized and submitted to the director at the time  
10 of shipment and receipt of the samples. The distributor shall  
11 pay the tax on samples by separate remittance along with the  
12 affidavit. The affidavit and remittance required under this  
13 paragraph shall be submitted to the department electronically.

14 Sec. 22. Section 453A.40, subsection 2, Code 2025, is amended  
15 to read as follows:

16 2. Persons subject to the inventory tax imposed under this  
17 section shall take an inventory as of the close of the business  
18 day next preceding the effective date of the increased tax rate  
19 of those items subject to the inventory tax for the purpose of  
20 determining the tax due. These persons shall report the tax on  
21 forms provided by the department of revenue and remit the tax  
22 due within thirty days of the prescribed inventory date. The  
23 report and remittance required under this subsection shall be  
24 submitted to the department electronically. The department of  
25 revenue shall adopt rules as are necessary to carry out this  
26 section.

27 Sec. 23. Section 453A.45, subsection 5, paragraphs b, c, and  
28 d, Code 2025, are amended to read as follows:

29 b. The report shall be made on forms provided by the  
30 director. ~~The director may require by rule that the A report~~  
31 required under this subsection shall be filed by electronic  
32 transmission electronically. A report required to be submitted  
33 electronically under this subsection that is filed in a manner  
34 other than in an electronic format specified by the department  
35 shall not be considered a valid submission unless the director

1 has permitted the submission of such a report through an  
2 alternative method pursuant to section 453A.57.

3 c. Common carriers transporting tobacco products into this  
4 state shall file with the director reports of all such shipments  
5 other than those which are delivered to public warehouses  
6 of first destination in this state which are licensed under  
7 the provisions of chapter 554. Such reports shall be filed  
8 electronically with the department on or before the tenth day of  
9 each month and shall show with respect to deliveries made in the  
10 preceding month all of the following:

11 (1) The date.

12 (2) The point of origin.

13 (3) The point of delivery.

14 (4) The name of the consignee.

15 (5) A description and the quantity of tobacco products  
16 delivered.

17 (6) Such other information as the director may require.

18 d. Any person who fails or refuses to transmit to the  
19 director the required reports or whoever refuses to permit the  
20 examination of the records by the director shall be guilty of  
21 a serious misdemeanor. In addition, any person who fails to  
22 timely submit a report required under this section is subject to  
23 a penalty in the amount of fifty dollars for each occurrence.

24 Sec. 24. Section 453A.46, subsection 1, paragraph a,  
25 subparagraph (1), Code 2025, is amended to read as follows:

26 (1) On or before the twentieth day of each calendar month  
27 every distributor with a place of business in this state shall  
28 file a return with the director showing for the preceding  
29 calendar month the quantity and wholesale sales price of each  
30 tobacco product brought, or caused to be brought, into this state  
31 for sale; made, manufactured, or fabricated in this state for  
32 sale in this state; and any other information the director may  
33 require. Every licensed distributor outside this state shall  
34 in like manner file a return with the director showing for  
35 the preceding calendar month the quantity and wholesale sales

1 price of each tobacco product shipped or transported to retailers  
2 in this state to be sold by those retailers and any other  
3 information the director may require. Returns shall be made  
4 upon forms ~~furnished or~~ made available in electronic form and  
5 prescribed by the director and shall contain other information as  
6 the director may require. Each return shall be accompanied by a  
7 remittance for the full tax liability shown on the return, less a  
8 discount as fixed by the director not to exceed five percent of  
9 the tax. Within three years after the return is filed or within  
10 three years after the return became due, whichever is later, the  
11 department shall examine it, determine the correct amount of tax,  
12 and assess the tax against the taxpayer for any deficiency. The  
13 period for examination and determination of the correct amount of  
14 tax is unlimited in the case of a false or fraudulent return made  
15 with the intent to evade tax, or in the case of a failure to file  
16 a return.

17 Sec. 25. Section 453A.46, subsection 3, Code 2025, is amended  
18 to read as follows:

19 3. In addition to the tax or additional tax, the taxpayer  
20 shall also pay a penalty as provided in section 421.27 and be  
21 subject to the civil penalties set forth in sections 421.27;  
22 453A.31, subsection 1, paragraph "b"; and 453A.50, subsection 3,  
23 as applicable. For purposes of imposing penalties under this  
24 section and section 421.27, a person who fails to timely file  
25 or submit a required return, report, or other documentation upon  
26 which no tax is shown due is subject to a penalty in the amount  
27 of fifty dollars for each occurrence.

28 Sec. 26. Section 453A.46, subsection 7, Code 2025, is amended  
29 by striking the subsection and inserting in lieu thereof the  
30 following:

31 7. A report, return, remittance, or other documentation  
32 required to be submitted under this subchapter shall be filed  
33 electronically. Any report, return, remittance, or other  
34 documentation required to be submitted electronically that is  
35 submitted in a manner other than in an electronic format

1 specified by the department shall not be considered a valid  
2 submission unless the director has permitted submission of such  
3 application, bond, fee, report, return, remittance, or other  
4 documentation through an alternative method pursuant to section  
5 453A.57.

6 Sec. 27. Section 453A.47A, subsection 6, Code 2025, is  
7 amended to read as follows:

8 6. *Issuance.* Cities may ~~issue~~ approve retail permits to  
9 ~~retailers~~ permit applications of applicants located within their  
10 respective limits. County boards of supervisors may ~~issue~~  
11 approve retail permits to ~~retailers~~ permit applications of  
12 applicants located in their respective counties, outside of the  
13 corporate limits of cities. ~~The city or county shall submit~~  
14 ~~a duplicate of any application for a retail permit to the~~  
15 ~~department within thirty days of issuance of a permit.~~  
16 Upon approval of a retail permit application by a city or  
17 county, the department shall issue the permit to the applicant  
18 on behalf of the city or county, in the manner determined by the  
19 department. A city or county shall use the electronic portal  
20 of the department to process retail permit applications. A city  
21 or county that is unable to use the electronic portal of the  
22 department may request permission from the director to process  
23 retail applications by another method. The department shall  
24 submit the current list of all retail permits issued to the  
25 department of health and human services by the last day of each  
26 quarter of a state fiscal year.

27 Sec. 28. Section 453A.47A, subsection 7, paragraph a,  
28 unnumbered paragraph 1, Code 2025, is amended to read as follows:

29 All permits provided for in this subchapter shall expire  
30 on June 30 of each year. A permit shall not be granted or  
31 issued until the applicant has paid the fees ~~provided for~~ to the  
32 department required in this section for the next period ending  
33 on June 30 next, to the city or county granting the permit. The  
34 fee for retail permits is as follows when the permit is granted  
35 during the month of July, August, or September:

1 Sec. 29. Section 453A.47A, subsection 9, unnumbered paragraph  
2 1, Code 2025, is amended to read as follows:

3 Retail permits shall be issued only upon applications,  
4 accompanied by the fee indicated above, made upon forms furnished  
5 by the department ~~upon written request. The failure to furnish~~  
6 ~~such forms shall be no excuse for the failure to file the form~~  
7 ~~unless absolute refusal is shown.~~ Applications, any supporting  
8 documentation, and the associated fees required by this section  
9 shall be submitted to the department electronically. The forms  
10 shall specify:

11 Sec. 30. Section 453A.47A, subsection 10, paragraph b, Code  
12 2025, is amended to read as follows:

13 b. Every retailer shall, when requested by the department,  
14 make additional reports as the department deems necessary and  
15 proper and shall at the request of the department furnish  
16 full and complete information pertaining to any transaction  
17 of the retailer involving the purchase or sale or use of  
18 tobacco, tobacco products, alternative nicotine products, or  
19 vapor products. A report required to be submitted to the  
20 department pursuant to this subsection shall be submitted  
21 electronically.

22 Sec. 31. Section 453A.52, Code 2025, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 9. Any certification form, notice, and  
25 supporting documentation and any payment required to be submitted  
26 to the department pursuant to this section shall be submitted to  
27 the department electronically, unless the director has permitted  
28 submission of such information through an alternative method  
29 pursuant to section 453A.57.

30 Sec. 32. Section 453A.52B, Code 2025, is amended by adding  
31 the following new subsection:

32 NEW SUBSECTION. 6. Payment for any penalty imposed pursuant  
33 to this section shall be remitted to the department  
34 electronically, unless the director has permitted submission  
35 of such information through an alternative method pursuant to

1 section 453A.57.

2 Sec. 33. Section 453A.52D, Code 2025, is amended by adding  
3 the following new subsection:

4 NEW SUBSECTION. 4. Notice to the department and any  
5 supporting documentation required to be submitted to the  
6 department pursuant to this section shall be submitted to the  
7 department electronically, unless the director has permitted  
8 submission of such information through an alternative method  
9 pursuant to section 453A.57.

10 Sec. 34. NEW SECTION. **453A.57 Submitting documents —**  
11 **alternative method.**

12 A person subject to this chapter who is required to submit  
13 an application, bond, fee, report, return, remittance, or other  
14 documentation electronically and who is unable to do so, may  
15 request permission from the director to make a submission using  
16 an alternative method.

17 Sec. 35. Section 453D.5, subsection 1, Code 2025, is amended  
18 to read as follows:

19 1. No later than twenty calendar days after the end of  
20 each calendar quarter, and more frequently if so directed by  
21 the director, each stamping agent and distributor shall submit  
22 information as the director requires to facilitate compliance  
23 with this chapter, including but not limited to a list by  
24 brand family of the total number of cigarettes, or, in the  
25 case of roll-your-own tobacco, the equivalent stick count, for  
26 which the stamping agent or distributor affixed stamps during  
27 the previous calendar quarter or otherwise paid the tax due  
28 for the cigarettes. The stamping agent and distributor shall  
29 maintain, and make available to the director, all invoices  
30 and documentation of sales of all nonparticipating manufacturer  
31 cigarettes and any other information relied upon in reporting  
32 to the director for a period of five years. Any information  
33 submitted pursuant to this subsection shall be submitted to  
34 the director electronically, unless the director has permitted  
35 submission of such information through an alternative method

1 pursuant to section 453A.57. Any information submitted pursuant  
2 to this subsection that is submitted in a manner other than in  
3 a format specified by the department shall not be considered a  
4 valid submission. Violations of this subsection are subject to  
5 civil penalties as established in section 453A.31, subsection 1,  
6 paragraph "b".

7 Sec. 36. CODE EDITOR DIRECTIVES.

8 1. The Code editor is directed to place new section 453A.57,  
9 as enacted by this Act, in subchapter IV titled "Uniformed  
10 Application of Chapter".

11 2. The Code editor may modify subchapter titles if necessary  
12 and is directed to correct internal references in the Code as  
13 necessary due to enactment of this section.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with  
16 the explanation's substance by the members of the general assembly.

17 This bill relates to cigarette and tobacco product regulations  
18 including vapor products by requiring the electronic filing of  
19 returns and other related matters.

20 The bill specifies that cities and counties may approve  
21 tobacco-related retail permits but the department shall issue the  
22 permit to the applicant on behalf of the city or county. The  
23 bill requires the city or county to use the electronic portal  
24 of the department to process retail permit applications. If a  
25 city or county is unable to use the electronic portal of the  
26 department, the city or county may request permission from the  
27 director of revenue to process retail applications by another  
28 method.

29 The bill provides that all tobacco-related permit fees shall  
30 be collected by the department, and the department shall credit  
31 the fees to the city or county where the permit is in effect.

32 The bill specifies that a person who fails to timely file or  
33 submit a required return, report, or other documentation upon  
34 which no tax is shown due is subject to a penalty in the amount  
35 of \$50 for each occurrence.

1 The bill requires cigarette and tobacco tax returns, reports,  
2 invoices, bonds, and payments to be filed with or submitted to  
3 the department electronically beginning on or after July 1, 2025.

4 The bill provides any report, return, remittance, or other  
5 documentation required to be submitted electronically that is  
6 submitted in a manner other than in an electronic format shall be  
7 considered not a valid submission. However, the bill does allow  
8 a person required to make a submission electronically to request  
9 permission from the director of revenue to make the submission in  
10 another manner.

11 The bill directs the Code editor to place new Code  
12 section 453A.57 (submitting documents — alternative method) in  
13 subchapter IV.

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