



Annual Revision of Forms TPM-1, TPM-2, and TPM-3

Purpose: This Announcement publicizes the annual revision of the required forms that participating and nonparticipating tobacco products manufacturers must complete and file with either the Department of Revenue Services (DRS) or the Connecticut Office of the Attorney General (Attorney General), or both.

Effective Date: Upon issuance.

Statutory Authority: Conn. Gen. Stat. §§4-28h to 4-28n, inclusive.

Definitions: As used in this Announcement:

Cigarette means a cigarette, as defined in Conn. Gen. Stat. §4-28h(4). For purposes of this definition, each nine one-hundredths of an ounce of roll-your-own tobacco constitutes a cigarette. Also, for purposes of this definition, a small cigar properly treated as a cigarette for purposes of the federal excise tax on cigarettes (26 U.S.C. §5701(b)) shall be reported as a cigarette on **Form TPM-1, Certificate of Compliance and Affidavit by Nonparticipating Manufacturer**. However, a small cigar properly treated as a small cigar for purposes of the federal excise tax on cigars (26 U.S.C. §5701(a)(1)) shall not be reported as a cigarette on Form TPM-1.

Participating manufacturer (PM) has the same meaning as in section II(jj) of the Master Settlement Agreement (MSA).

Nonparticipating manufacturer (NPM) means any tobacco product manufacturer that is not a participating manufacturer.

Tobacco product manufacturer means a tobacco product manufacturer, as defined in Conn. Gen. Stat. §4-28h(9).

Master Settlement Agreement means the Master Settlement Agreement, as defined in Conn. Gen. Stat. §4-28h(5).

Qualified escrow fund means a qualified escrow fund, as defined in Conn. Gen. Stat. §4-28h(6).

March 2015 Revision of Annual Form TPM-1:

Each NPM selling cigarettes to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, must establish a qualified escrow fund for the benefit of the State of Connecticut and other settling states, place the required amount of money into a qualified escrow fund, and file annually Form TPM-1. DRS revises Form TPM-1 annually to specify the amount, as adjusted for inflation, required to be placed into a qualified escrow fund for the State of Connecticut by each NPM for each cigarette sold to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries.

With respect to each cigarette sold to consumers within Connecticut during calendar year 2014, an NPM **must** use the March 2015 revision of Form TPM-1 and not any earlier version. The March 2015 revision of Form TPM-1 has “(Rev. 03/15)” in the upper left hand corner. The March 2015 revision of Form TPM-1 also has two parts (Parts III and IV) on the reverse side that an NPM is required to complete.

New Quarterly Form TPM-1:

Effective January 1, 2015, NPMs are required to make quarterly escrow payments no later than 30 days after the end of the quarter in which sales covered by the deposits are made (Conn. Gen. Stat. §4-28i(a)(3)). NPMs are also required to certify on a quarterly basis with the Attorney General that they are in compliance with their quarterly escrow payments.

As such, each NPM selling cigarettes to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, must establish a qualified quarterly escrow fund for the benefit of the State of Connecticut and other settling states, place the required amount of money into a qualified escrow fund, and file a quarterly Form TPM-1.

With respect to each cigarette sold to consumers within Connecticut during a calendar quarter commencing on or after January 1, 2015, an NPM **must** use the new quarterly Form TPM-1, which is due on or before the thirtieth day after the end of the quarter in which sales covered by the deposits are made. The new quarterly

Form TPM-1 has “Certification for calendar quarter” in the upper right-hand corner and allows for the NPM to designate the quarter for which it is being filed. Annual revisions will continue to be issued for this form.

March 2015 Revision of Form TPM-3: Each NPM selling cigarettes to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, must file **Form TPM-3, Brand Families Unit Sales Schedule**, annually for 2014 and quarterly for 2015 (effective January 1, 2015). The schedule provides a breakdown by brand families of an NPM’s sales of cigarettes to consumers within Connecticut, both during the preceding calendar year and during the current calendar year.

DRS revises Form TPM-3 annually. An NPM **must** use the March 2015 revision of Form TPM-3 and not an earlier version. The revised March 2015 Form TPM-3 has “(Rev. 03/15)” in the upper left-hand corner.

Filing of Forms TPM-1 and TPM-3 by NPMs: DRS mails the new revision of Forms TPM-1 and TPM-3 to each NPM whose cigarettes were reported by stampers to have been sold to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, during calendar year 2014. Failure to receive Forms TPM-1 and TPM-3 does not excuse an NPM from filing the forms. See *Forms and Publications*, on Page 3.

Each NPM **must** file Form TPM-1, a copy of the escrow agreement signed by the NPM and the financial institution, and Form TPM-3 on or before **April 30, 2015**, to the following addresses:

Submit the original to:

Office of the Attorney General
Finance Department
PO Box 120
Hartford CT 06141-0120

Submit a copy to:

Department of Revenue Services
Attn: Tax Division Chief, Audit Division
Excise/Public Service Subdivision
25 Sigourney St Ste 2
Hartford CT 06106-5032

Inflation Adjustment for Amounts to be placed into Qualified Escrow Fund by NPMs on or before April 15, 2015: With respect to an NPM whose cigarettes are sold to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, during calendar year 2014, the amount of **\$0.0308783** per cigarette, or about \$6.17 per carton sold, **must** be placed into a qualified escrow fund for the State of Connecticut by the NPM on or before **April 15, 2015**.

March 2015 Revision of Form TPM-2: Each tobacco product manufacturer whose cigarettes are to be sold to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, must file annually **Form TPM-2, Certification for Listing in the Connecticut Tobacco Directory**. DRS revises Form TPM-2 annually. PMs and NPMs **must** use the March 2015 revision of Form TPM-2 and not an earlier version. The March 2015 revision of Form TPM-2 has “(Rev. 03/15)” in the upper left-hand corner.

Visit the DRS website at www.ct.gov/DRS to download and print this form and the accompanying instructions. To find the form, select *Cigarette and Tobacco* from the menu on the left and then select *Forms for Participating and Nonparticipating Manufacturers*.

Mailing of Form TPM-2 to PMs and NPMs: DRS mails the new revision of Form TPM-2 to each PM and NPM:

- Whose cigarettes were reported by stampers to have been sold to consumers within Connecticut, whether directly or through a distributor, dealer, or similar intermediary or intermediaries, during calendar year 2014;
- Which has applied for and secured from DRS a cigarette manufacturer’s license that is currently in effect; **or**
- Which, along with its brand families, is currently listed in the Connecticut Tobacco Directory.

Failure to receive Form TPM-2 does not excuse a PM or NPM from filing the form. Each PM and NPM that wishes to have its cigarettes listed in the Connecticut Tobacco Directory as of July 1, 2015, **must** file Form TPM-2 on or before **April 30, 2015**, to the following addresses:

Submit the original to:

Department of Revenue Services
Attn: Tax Division Chief, Audit Division
Excise/Public Service Subdivision
25 Sigourney St Ste 2
Hartford CT 06106-5032

Submit a copy to:

Office of the Attorney General
Finance Department
PO Box 120
Hartford CT 06141-0120

Effect on Other Documents: Announcement 2014(4), Annual Revision of Forms TPM-1, TPM-2, and TPM-3, is modified and superseded and may not be relied upon on or after the date of issuance of this Announcement.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

For More Information on the Required Annual Escrows: For more information on the annual escrows required to be made by NPMs under Conn. Gen. Stat. §§4-28h through 4-28j, call the Office of the Attorney General at 860-808-5270, Monday through Friday, 8:00 a.m. to 5:00 p.m., or write to:

Office of the Attorney General
Finance Department
PO Box 120
Hartford CT 06141-0120

For Further Information on Form TPM-2: For further information on Form TPM-2, call the DRS Audit Division, Excise Taxes Unit at 860-541-3224 from 8:30 a.m. to 4:30 p.m., Monday through Friday.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential): Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the **TSC** to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the **Make Payment Only** option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *Sign up for e-alerts* under *How Do I?* on the gold navigation bar.
