**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-03** |

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| **Tax Type:** | **Cigarette and Tobacco Products** |
| **Brief Description:** | **What tobacco tax should be charged on.** |
| **Keywords:** |  |
| **Approval Date:** | **01/16/1998** |

**Body:**

**Office of Policy & Research**

January 16, 1998  
  
  
  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX  
  
  
Dear XXXXXXX:  
  
  
We wish to acknowledge receipt of your letter dated December 23, 1997, regarding the application of Kansas Tobacco Tax.  
  
K.S.A. 79-3371 imposes a tax: “. . . upon the privilege of selling or dealing in tobacco products in this state by any person engaged in business as a distributor thereof, at the rate of ten percent (10%) of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (a) brings or causes to be brought into this state from without the state tobacco products for sale; (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (c) ships or transports tobacco products to retailers in this state to be sold by those retailers.”  
  
The wholesale sales price is defined in K.S.A. 79-3370(g) as “. . . the original net invoice price for which a manufacturer sells a tobacco product to a distributor as shown by the manufacturer’s original invoice. . .”  
  
Therefore, it is the opinion of this department that the ten percent (10%) tobacco tax should be imposed upon the amount shown on the manufacturer’s original invoice to your customer, without consideration being given for the display unit discount. However, it would be appropriate for you to deduct the cash discount in determining the base that would be subject to the Kansas Tobacco Tax.  
  
If I may be of further assistance, please contact me at your earliest convenience at (913) 296-7776.  
  
Sincerely yours,  
  
  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
TPB  
  
  
**Date Composed: 01/22/1998 Date Modified: 10/10/2001**