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ARIZONA LUXURY TAX NOTICE LTN 16-02

Amended Tobacco Tax Rules and the New Electronic Filing Requirement for Tobacco Tax Rebates

The Arizona Department of Revenue ("Department") has amended the tobacco tax rules under Chapter 3, Title 15, of the Arizona Administrative Code (A.A.C.).

The amendments became effective June 24, 2016, and generally bring the tobacco tax rules into compliance with existing laws, the Department's current practices and the recently-implemented electronic filing system. The amendments were filed on June 24, 2016, with the Arizona Secretary of State in a Notice of Exempt Rulemaking. The Notice of Exempt Rulemaking is available on the Secretary of State's website.¹

One key change affecting tobacco tax rebates appears in new subsection A.A.C. R15-3-318(E), which now states:

Except as provided in subsections (A) and (B) above, the Department may issue a rebate of taxes paid on tobacco products pursuant to Article 7 of A.R.S. Title 42, Chapter 3 if the licensee establishes entitlement to the rebate pursuant to A.R.S. § 42-3406. The request for a rebate and all supporting documentation shall be submitted through the electronic filing system established by the Department.

In accordance with this new requirement, **beginning September 1, 2016**, the Department will no longer accept rebate requests, or documentation supporting a rebate request, on paper or as digital files stored on a compact disc or other form of storage media. Rebate requests and supporting documentation may only be submitted electronically through the Arizona Luxury Tax Online system, available at <https://luxury.aztaxes.gov>.

If you have any questions regarding this notice, please feel free to contact the Tobacco Tax Unit at (602) 716-7808.

Explanatory Notice: The purpose of a tax notice is to provide general guidance to assist taxpayers in becoming familiar with Arizona tax laws. Relevant statute, case law or administrative rules, as well as a subsequent notice, may modify or negate any or all of the provisions of any tax notice. In the case of inconsistency or omission in this notice, the language of the Arizona Revised Statutes and the Arizona Administrative Code will prevail. Please see General Tax Ruling ("GTR") 08-1 for more detailed information regarding documents issued by the Department of Revenue. GTR 08-1 is available online on the Department's website.

¹ http://apps.azsos.gov/public_services/register/2016/29/contents.pdf