



ARIZONA LUXURY TAX NOTICE

LTN 20-1

Douglas A. Ducey
Governor

Carlton Woodruff
Director

Sales of Single Cigarettes

Under Arizona law, it is generally unlawful to sell or distribute cigarette packs of less than 20 cigarettes.¹ However, there is an exception for sales and distribution within bars (establishments holding a Series 6 liquor license issued by the Arizona Department of Liquor Licenses and Control) that only admit adult patrons who are 21 years of age or older.²

Even with this exception, if a bar or retailer is selling or distributing single cigarettes to patrons, it cannot lawfully do so unless the cigarettes are packaged for sale as single cigarettes *by the manufacturer*.³ Federal law further provides that:

- A cigarette pack cannot be broken to distribute or make retail sales of individual cigarettes.⁴
- Cigarettes cannot be manufactured, distributed or sold in packs containing fewer than 20 cigarettes.⁵

This notice serves as a reminder of current state and federal law to all licensed bars and retailers in Arizona. No cigarettes may be sold as a single-stick pack or pack containing less than 20 cigarettes. Establishments that continue to offer single cigarettes (also referred to as “loosies”), whether broken from a larger pack or packaged as such, may be subject to a \$1,000 fine and seizure, in addition to any other applicable penalties under federal and state law.⁶

Explanatory Notice: The purpose of a tax notice is to provide general guidance to assist taxpayers in becoming familiar with Arizona tax laws. Relevant statutes, 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 at <https://azdor.gov/legal/rulings>.

¹ Arizona Revised Statutes (“A.R.S.”) § 36-798.04(A)(1).

² A.R.S. §§ 4-209(B)(6), 36-798.04(C).

³ A.R.S. § 42-3456(F).

⁴ 21 C.F.R. § 1140.14(a)(4)

⁵ 21 C.F.R. § 1140.16(b).

⁶ A.R.S. §§ 42-1125(U), 44-7111, sec. 6(b).