

Prevent All Cigarette Trafficking (PACT) Act

Frequently Asked Questions

What is the PACT Act?

On June 29, 2010, the Prevent All Cigarette Trafficking Act (PACT Act) went into effect. This federal law amends the Jenkins Act, 15 U.S.C. Chapter 10A, which governs the collection of taxes on, and trafficking in, cigarettes and smokeless tobacco. The PACT Act revised definitions in the Jenkins Act, provided new requirements for registration, reporting, recordkeeping, and increased penalties for criminal violations. The PACT Act also generally prohibits mailing cigarettes and smokeless tobacco through the U.S. Postal Service.

What tobacco products are covered under the PACT Act?

Cigarettes and smokeless tobacco are covered.

According to 18 U.S.C. 2341 and 26 U.S.C. 5702:

- Cigarettes include:
 - Any roll of tobacco wrapped in paper or in any substance not containing tobacco.
 - Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to, or purchased by, consumers as a cigarette as described in the bullet above.
 - Roll-your-own tobacco.
- Smokeless tobacco includes tobacco products that are non-combustible (primarily various forms of chewing tobacco, snuff, snus, etc.)

Who must register?

Any person who sells, transfers, ships, advertises or offers for sale cigarettes or smokeless tobacco in interstate commerce must first file a statement with the United States Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the tobacco tax administrators of the state and place into which the shipment is made or in which the advertisement or offer is disseminated. The statement must provide:

- the person's name, and trade name, if any;
- the address of the person's principal place of business and of any other place of business;
- the telephone numbers for each place of business;
- a principal email address;
- any website addresses; and
- the name, address and telephone number of an agent in Vermont authorized to accept service on the person's behalf.

**Visit the Department website
tax.vermont.gov
 for registration instructions.
 (Enter "PACT Registration"
 in the search window.)**

See more FAQs on the reverse side.

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

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Who must file the monthly report?

You must file this report if you:

- advertise, offer for sale, sell, transfer, or ship (for profit) cigarettes in interstate commerce. These cigarettes must be shipped into another state, locality, or Indian nation that taxes the sale or use of cigarettes.
- advertise, offer for sale, sell, transfer or ship (for profit) roll-your-own and/or smokeless tobacco in interstate commerce. The roll-your-own and/or smokeless tobacco must be shipped into another state, locality, or Indian nation that taxes the sale or use of roll-your-own and/or smokeless tobacco.

When do I file the monthly report?

The report is due no later than the 10th day of each calendar month for the previous calendar month's shipments.

Do I have to file the monthly report if I have not made shipments into Vermont during the reported month?

Yes.

What is a “Delivery Seller” as defined in the PACT Act?

A delivery seller makes delivery sales. Delivery sales are sales of cigarettes or smokeless tobacco made to a consumer when:

- The consumer submits his order by telephone or through the mail or internet, or
- The cigarettes or smokeless tobacco is delivered by common carrier or other delivery service, or
- The seller is not in the physical presence of the purchaser when he takes possession of the product.

How long do I have to retain PACT Act records?

Delivery sellers are required to maintain records of any delivery sale of cigarettes and smokeless tobacco, including all of the information required under reporting, organized by the city, town, or ZIP code, into which the delivery sale was made. These records must be kept until the end of the fourth full calendar year after the date of the delivery sale.