

## 2018 Kansas Statutes

**79-3311. Stamps; sale; discount; corporate surety bond; use and bond; cigarette tax refund fund established; transportation for out-of-state sale.** The director shall design and designate indicia of tax payment to be affixed to each package of cigarettes as provided by this act. Stamps applied by the heat process shall be sold only in amounts of 30,000 or multiples thereof, except that such stamps which are suitable for packages containing 25 cigarettes each shall be sold in amounts prescribed by the director. Stamps applied by the heat process shall be supplied to wholesale dealers in good standing with the director at the time of purchase at a discount of 0.55% on and after July 1, 2015, and thereafter, from the face value thereof, and shall be deducted at the time of purchase or from the remittance therefor as hereinafter provided. Any wholesale cigarette dealer who shall file with the director a bond, of acceptable form, payable to the state of Kansas with a corporate surety authorized to do business in Kansas, shall be permitted to purchase stamps, and remit therefor to the director within 30 days after each such purchase, up to a maximum outstanding at any one time of 85% of the amount of the bond. Failure on the part of any wholesale dealer to remit as herein specified shall be cause for forfeiture of such dealer's bond. All revenue received from the sale of such stamps shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. The state treasurer shall first credit such amount as the director shall order to the cigarette tax refund fund and shall credit the remaining balance to the state general fund. A refund fund designated the cigarette tax refund fund not to exceed \$10,000 at any time shall be set apart and maintained by the director from taxes collected under this act and held by the state treasurer for prompt payment of all refunds authorized by this act. Such cigarette tax refund fund shall be in such amount as the director shall determine is necessary to meet current refunding requirements under this act.

The wholesale cigarette dealer shall affix to each package of cigarettes stamps required by this act prior to the sale of cigarettes to any person, by such dealer or such dealer's agent or agents, within the state of Kansas. The director is empowered to authorize wholesale dealers to affix revenue tax stamps upon original packages of cigarettes and is charged with the duty of regulating the use of tax stamps to secure payment of the proper taxes. No wholesale dealer shall affix revenue tax stamps to original packages of cigarettes without first having obtained permission from the director to employ this method of affixation. If the director approves the wholesale dealer's application for permission to affix revenue tax stamps to original packages of cigarettes, the director shall require such dealer to file a suitable bond payable to the state of Kansas executed by a corporate surety authorized to do business in Kansas. The director may, to assure the proper collection of taxes imposed by the act, revoke or suspend the privilege of affixing tax stamps upon original packages of cigarettes.

A licensed wholesale dealer may, for the purpose of sale in another state, transport cigarettes not bearing Kansas indicia of tax payment through the state of Kansas provided such cigarettes are contained in sealed and original cartons.

**History:** L. 1933, ch. 122, § 11 (Special Session); L. 1935, ch. 309, § 3; L. 1939, ch. 329, § 10; L. 1957, ch. 505, § 2; L. 1964, ch. 37, § 2 (Budget Session); L. 1965, ch. 529, § 2; L. 1967, ch. 498, § 8; L. 1970, ch. 396, § 2; L. 1971, ch. 315, § 1; L. 1983, ch. 329, § 4; L. 1985, ch. 327, § 2; L. 1986, ch. 381, § 1; L. 2001, ch. 5, § 450; L. 2002, ch. 185, § 3; L. 2015, ch. 99, § 31; L. 2017, ch. 96, § 8; June 22.