



TAX BULLETIN 17-4
Virginia Department of Taxation
May 15, 2017

IMPORTANT INFORMATION REGARDING
NEW SALES TAX EXEMPTION CERTIFICATE
REQUIRED FOR PURCHASE OF STAMPED
CIGARETTES FOR RESALE

DEPARTMENT-ISSUED EXEMPTION CERTIFICATES
REQUIRED BEGINNING JANUARY 1, 2018

House Bill 1913 and Senate Bill 1390 (2017 *Acts of Assembly*, Chapters 112 and 453) require the use of a newly created Department-issued exemption certificate to purchase cigarettes bearing Virginia revenue stamps for resale exempt from the Retail Sales and Use Tax beginning **January 1, 2018**. Until that date, wholesale sellers of cigarettes should continue to accept either the existing Form ST-10 Resale Exemption Certificate or the new Form ST-10 C Cigarette Resale Exemption Certificate.

The new law requires the Department of Taxation ("Department") to set up an application process whereby retailers must apply to the Department for the new exemption certificate. Unlike the existing Form ST-10 Resale Exemption Certificate that may be downloaded from the Department's website, the new Form ST-10 C Cigarette Resale Exemption Certificate will be issued by the Department and will be unique to each retailer. Taxpayers who meet certain criteria will go through an expedited process with no application fee, waiting period, or background investigation. The Department is in the process of developing guidelines regarding the new application process and the new exemption certificate.

The Department will identify those retailers who qualify for the expedited process and who do not need to apply for the new exemption certificate. Those retailers who qualify for the expedited process will be mailed the new exemption certificate no later than October 1, 2017. If a retailer does not receive the Department-issued exemption certificate by October 1, the retailer should complete the application for a Department-issued exemption certificate, which will be available on the Department's website, www.tax.virginia.gov, by October 1, 2017.

The Department has established a website where all updates and information about this new exemption certificate process will be posted: www.tax.virginia.gov/guidelines-cigarette-resale-exemption-certificate.

If you have any questions regarding this Tax Bulletin, please contact the Department at (804) 367-8037.