

PREVENT ALL CIGARETTE TRAFFICKING ACT

Registration and Reporting Requirements

The federal “Prevent all Cigarette Trafficking Act” (PACT Act) is set forth in Title 15 *United States Code* (USC), sections 375 to 378. The purpose of the PACT Act is to reduce tax evasion by internet tobacco sellers and prevent the nation’s youth from accessing tobacco products through the mail. The PACT Act became effective June 30, 2010.

REGISTRATION STATEMENT

According to 15 USC section 376(a)(1), any person who:

Sells, transfers, or ships for profit cigarettes or smokeless tobacco in interstate commerce, where the cigarettes or smokeless tobacco are shipped into a State; or

Advertises or offers cigarettes or smokeless tobacco for such a sale, transfer, or shipment,

shall file **a statement** with the Attorney General of the United States and the State tobacco tax administrators. The tobacco tax administrator in Hawaii is the Department of Taxation.

The statement shall include:

- Person’s full name;
- Trade name, if any;
- The address of the person’s principal place of business, and any other place of business;
- Telephone numbers for each place of business;
- Principal electronic mail address;
- Website addresses, if any; and
- The name, address, and telephone number of an agent in the state authorized to accept service on behalf of the person.

The **statement provision noted above** applies to all tobacco wholesalers, distributors, and manufacturers who ship cigarettes, roll-your-own (RYO) tobacco, and smokeless tobacco in interstate commerce.

The term “interstate commerce” means commerce between a State and any place outside the State, commerce between a State and any Indian country in the State, or commerce between points in the same State but through any place outside the State or through any Indian country. *See* 15 USC section 375.

A statement form for use in registering with the Attorney General of the United States and the State tobacco tax administrator (i.e. Hawaii Department of Taxation) is available at:

<http://www.atf.gov/resource-center/forms-library>.

MONTHLY REPORTING REQUIREMENTS

Any person who sells, transfers, or ships for profit cigarettes or smokeless tobacco in interstate commerce, where such cigarettes or smokeless tobacco are shipped into a State, or who advertises or offers cigarettes or smokeless tobacco for such a sale, transfer, or shipment shall, **not later than the 10th day of each calendar month**, file with the tobacco tax administrator **and the State Attorney General**, a memorandum or a copy of invoices covering all shipments of cigarettes and smokeless tobacco into the

State during the previous calendar month. *See* 15 USC sections 376(a)(2) and (3). The PACT Act form must be filed even for months when no cigarettes or smokeless tobacco are shipped into the State.

The monthly reporting form shall specify:

- The name and address of the person to whom the shipment was made;
- The brand and the quantity of cigarettes, RYO tobacco, and smokeless tobacco; and
- The name, address, and telephone number of the person delivering the shipment to the recipient on behalf of the delivery seller, organized by city and zip code.

A PACT Act form for use in reporting shipments of cigarettes, RYO tobacco, and smokeless tobacco to the Hawaii Department of Taxation and the Hawaii Attorney General is available at <http://ag.hawaii.gov/cjd/tobacco-enforcement-unit/reporting-forms>; click on the Hawaii PACT Act Form. For those months when no cigarettes or smokeless tobacco products are shipped into the State indicate “NONE” under “Part 2 – Identify Your Sales”.

Pursuant to 15 USC section 376(c), any memorandum or invoices provided to the Hawaii Department of Taxation and the Hawaii Attorney General as part of the PACT Act reporting requirements will be used solely for enforcement purposes and will not be further disseminated.

The monthly reporting forms may be sent as PDF documents to the Hawaii Department of Taxation’s email address: tax.directors.office@hawaii.gov **AND** the Hawaii Attorney General Tobacco Enforcement Unit’s email address: atg.tobaccoenforcementunit@hawaii.gov. In the alternative, the monthly reporting forms may be mailed to:

Department of Taxation
Tobacco Tax Administrator
P.O. Box 259
Honolulu, HI 96809-0259

AND

Department of the Attorney General
Tobacco Enforcement Unit
425 Queen Street
Honolulu, HI 96813

Tobacco product manufacturers who submit Monthly PACT Act Reports to the Hawaii Attorney General Tobacco Enforcement Unit may substitute the Monthly PACT Act Reports for the reports (TEU6 forms) required to be filed quarterly with the Hawaii Attorney General Tobacco Enforcement Unit pursuant to section 486P-2, *Hawaii Revised Statutes*.

PENALTIES

The Hawaii Attorney General is authorized to prevent and restrain violations of the PACT Act and may seek civil and criminal penalties when appropriate.

Should you have any questions, please contact the Tobacco Enforcement Unit at (808) 586-1203 or by email at atg.tobaccoenforcementunit@hawaii.gov.