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**PART 5 – FINANCIAL INSTITUTION**

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Name of Institution: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Escrow Account Number: \_\_\_\_\_ State Account Number: \_\_\_\_\_

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**PART 6 – SIGNATURE**

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Under penalty of perjury, I state that, to the best knowledge, all of the information contained in this certificate of compliance is true and accurate.

Name of Authorized Agent (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Authorized Agent: \_\_\_\_\_ Date: \_\_\_\_\_

Subscribed and sworn to before me on this date: \_\_\_\_\_

Signature of Notary Public: \_\_\_\_\_

Notary for the State of: \_\_\_\_\_ City or County of: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**Mail this Certificate of Compliance to:**

Alabama Department of Revenue  
Attn: Commissioner of Revenue  
P. O. Box 327555  
Montgomery, AL 36132-7555



ALABAMA DEPARTMENT OF REVENUE  
SALES, USE & BUSINESS TAX DIVISION  
TOBACCO TAX SECTION

TOB: NPM-ESC INST  
4/10

P.O. Box 327555 • Montgomery, AL 36132-7555 • (334) 242-9627  
www.revenue.alabama.gov

## Instructions for Certificate of Compliance by Non-Participating Manufacturer Regarding Escrow Payment

### General Information:

#### What is the definition of a tobacco product manufacturer?

- Any entity that manufactures cigarettes, including roll-your-own, anywhere that such manufacturer intends to be sold in the United States including cigarettes that are intended to be sold in the United States through an importer;
- The first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
- A successor of any entity described above.

#### Who is required to file this certificate of compliance?

- Any tobacco product manufacturer which:

(1) sells cigarettes within the State of Alabama (whether directly or through any distributor, retailer, or similar intermediary) and

(2) has not become a participating manufacturer in the tobacco Master Settlement Agreement executed on 11/23/98 (the MSA).

*If you satisfy these requirements, you must file this certificate of compliance to report the units of cigarettes manufactured by you and sold in the State of Alabama and pay the amount calculated into your qualified escrow fund.*

#### What is a non-participating manufacturer?

A non-participating manufacturer is any tobacco product manufacturer who has not signed onto the MSA.

#### What is a qualified escrow fund?

A non-participating manufacturer that is required to file this certificate of compliance must establish a qualified escrow fund. This means an escrow arrangement with a U.S. federal or U.S. state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least \$1,000,000,000, where such arrangement (1) requires that the financial institution hold the escrowed funds' principal for the benefit of the State of Alabama (and possibly other "Releasing Parties" as defined in the MSA) and (2) prohibits the non-participating manufacturer from using, accessing, or directing the use of the funds' principal except as consistent with Title 6, Chapter 12, Section 2, **Code of Alabama 1975**.

#### When must I make my escrow payment?

You must deposit all escrow payments into your qualified escrow fund on or before April 15th of the year following the sales year. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution to the Commissioner of the Alabama Department of Revenue, along with this signed and notarized certificate of compliance. A copy of your qualified escrow agreement as executed and any subsequent amendments to the agreement must be forwarded to the Department of Revenue.

If you have been required to make quarterly deposits, your payment into escrow must be made by the last day of the month following the end of the quarter. The calendar year shall be divided into the following quarters: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31. Accordingly, non-partici-

pating manufacturers required to make quarterly deposits must do so by April 30, July 31, October 31, and January 31 respectively.

### **When is this certificate of compliance due?**

This certificate of compliance is to be filed on or before April 30th of the year following the sales year.

*For 1999, the sales year for tobacco products sold in Alabama is June 9, 1999 – December 31, 1999. After 1999, the sales year is the calendar year, from January 1 through December 31.*

If you have been required to make quarterly certifications, the certificates of compliance and bank verifications must be provided to the Department no later than ten (10) days after each quarterly deposit date. Quarterly certificates of compliance are to be filed on or before the following dates:

- (1) May 10 for the January 1 through March 31 quarter
- (2) August 10 for the April 1 through June 30 quarter
- (3) November 10 for the July 1 through September 30 quarter
- (4) February 10 for October 1 through December 31 quarter.

### **Specific Instructions:**

Part 1: Manufacturer's Identification: Write your name, FEIN, address, telephone number and fax number.

Part 2: Sales Year or Quarter: Write the sales year and check applicable quarter if you have been required to file quarterly.

Part 3: Units Sold: Write the number of individual cigarettes and the amount of "roll-your-own" tobacco (.09 ounces constitutes one cigarette) manufactured by you and distributed directly or through a distributor, retailer, or similar intermediary or intermediaries during the sales year or quarter in Alabama.

Part 4: Escrow Rates and Payments: Multiply the units sold by the appropriate rate for the sales year or quarter and write the result as your subtotal. Calculate the appropriate inflation adjustment and enter the amount. Add the subtotal and the inflation adjustment amount to arrive at the total deposit to be paid into your qualified escrow account for the applicable sales year or quarter.

Part 5: Financial Institution: Write the name and address of the financial institution holding your escrow account. Include your escrow account number and State account number.

Part 6: Signature: An authorized notary public must also sign and date this certificate of compliance.