



# Instructions for Form CG-114

## Claim for Redemption/Refund of Cigarette Tax Stamps and Prepaid Sales Tax

### When to file

An agent must submit all applications for redemption/refund of the New York State cigarette tax **within two years** after the cigarette tax stamps were affixed or the unused stamps were purchased.

A retail dealer or wholesale dealer must apply for a New York State refund of the face value of the stamps within **two years** after purchasing the stamped packages of cigarettes from a licensed stamping agent.

All applications for refund of the New York State **prepaid sales tax** must be filed within **three years** from the time the stamps were purchased.

Keep a copy of your claim form and all supporting documentation for a period of three years.

### How to file for reimbursement of the New York City cigarette tax

To receive a copy of the New York City refund application or to request information on the reimbursement/refund of the New York City cigarette tax, contact the City of New York, Department of Finance, 345 Adams Street, 13<sup>th</sup> Floor, Brooklyn NY 11201.

### Part 1 – Claim for redemption of unused or damaged cigarette tax stamps and prepaid sales tax – Stamping agents only

You may file a claim for redemption with respect to unaffixed stamps that:

- you no longer need or are no longer qualified to affix,
- are from your inventory if you are in liquidation,
- are so damaged as to be worthless or unfit for use,
- have been superseded by stamps of a new design or denomination, or
- the Tax Department deems appropriate for redemption.

The amount of redemption allowed will be the amount of cigarette tax actually paid (the face value of stamps you purchased, less commissions retained by you).

You must send Form CG-114 by registered mail to the Tax Department together with **all** unused or damaged stamps for which you are claiming redemption. However, if registered mail is not feasible due to the volume of stamps to be redeemed, you may use a private delivery service. See *Private delivery services*.

### Part 2 – Claim for refund for stamps affixed to packages of cigarettes and prepaid sales tax

Stamping agents, wholesale dealers, and retail dealers should use Part 2 to claim a refund of the New York State cigarette tax and the prepaid sales tax for stamps affixed to packages of cigarettes that were:

- returned to the manufacturer,
- unsalable or unfit for use and consumption,
- destroyed or sent to the Tax Department for destruction,

- sold outside of the state, or
- sold to an exempt purchaser (if purchaser is an Indian nation or tribe and reservation cigarette seller, use Form CG-114-E, *Expedited Claim for Refund for Indian Tax-Exempt Cigarette Sales*, to apply for refund).

Stamping agents may be entitled to a refund of the face value of the stamps, less any commissions allowed. When determining the rate of commission to be used in computing the net amount of refund allowed, if an agent cannot establish the date of purchase of the affixed stamps, the rate or rates in effect at the time of the sale, destruction, or determination of unsuitability may be used with the prior consent of the Tax Department. To contact the Tax Department see *Need help?*

Retail dealers or wholesale dealers may be entitled to a refund of the face value of the stamps. However, if a retail dealer or wholesale dealer returns cigarettes to its supplying agent for a credit, the retail dealer or wholesale dealer should not file a refund claim.

### Cigarettes returned to the manufacturer

Where a manufacturer will accept the return of unsalable cigarettes, you may file a claim for refund if the manufacturer will provide you with a statement or affidavit that certifies the stamped cigarettes were returned and the tax has not been reimbursed. Submit a separate refund claim for each manufacturer to whom stamped cigarettes will be returned.

Prior to returning any stamped packages of cigarettes to the manufacturer you must:

- have the packages inspected and verified (see *Procedure for inspection and verification*, below), or
- receive written authorization from the Tax Department to return the product without inspection.

Once the inspection and verification are complete or you have received written authorization, you may make arrangements to return the cigarettes to the manufacturer. Submit the manufacturer's statement or affidavit with your original claim to the Tax Department.

### Agent destruction of cigarettes

If the manufacturer will not accept unsalable cigarettes, agents may destroy these cigarettes after:

- inspection and verification (see *Procedure for inspection and verification*, below), or
- receipt of written authorization from the Tax Department to have the product destroyed without inspection.

Once the inspection and verification are complete or you have received written authorization, you may make arrangements to have the cigarettes destroyed.

### Procedure for inspection and verification

Upon receipt of notice of your refund claim, a Tax Department representative will contact you to arrange a mutually convenient appointment for the inspection of the stamped packs and the verification of your claim. The packages must be sorted separately by jurisdiction (*State only* or *Joint City and State* stamps) then by stamp color and design. When you submit your claim, attach a list of the total number of packages being returned, by stamp color and design, as well as a sample

of serial numbers for each stamp color and design. Allow a sufficient area for the Tax Department's representative to perform the inspection.

**Cigarettes sent to the Tax Department for destruction**

When a manufacturer or agent will not accept returns of cigarettes that are unsalable or are unfit for use and consumption, wholesale dealers and retail dealers may send these cigarettes to the Tax Department for destruction. Sort the cigarettes by jurisdiction (*State only or Joint City and State* stamps) then by stamp color and design. If the packages are loose, put them in cartons and pack the cartons in a box. Attach to your refund claim copies of invoices showing purchases of the specific brands being returned and the cigarette tax and prepaid sales tax paid.

**Note:** If the number of packs of cigarettes exceeds 5,000, do not send the cigarettes to the Tax Department. Send only the refund claim and your purchase invoices. A Tax Department representative will contact you to make inspection and verification arrangements. See *Procedure for inspection and verification* on page 1.

**Cigarettes sold outside of the state**

When the refund claim is for the value of stamps affixed to packages that have been sold outside of the state, a statement for each invoice acknowledging receipt of packages of cigarettes, signed by the out-of-state purchaser, must accompany the claim. In addition, this statement must include the date prepared, the name and address of both the purchaser and the seller, the purchaser's identification number, the out-of-state location where the cigarettes will be taken, and certification that they will not be returned to New York State for sale or use. The department may require further information or proof of the application for refund or redemption as it may deem necessary for the processing of the application. No refund or redemption will be paid unless the department is satisfied that the amount of tax for which the refund or redemption is claimed has actually been collected by or on behalf of New York State.

**Important:** the stamps must be obliterated or otherwise voided before the cigarettes are shipped to the out-of-state purchaser.

**Note:** Change of possession of the cigarettes must take place outside New York State. If an out-of-state dealer, or their agent, takes possession of the cigarettes inside New York State, it is a taxable sale and no refund of tax is allowed.

**Column instructions for Parts 1 and 2**

The redemption/refund of the cigarette tax and/or prepaid sales tax is based on the rates in effect at the time the payment for the stamps was made. Therefore, complete Parts 1 and 2, starting with the date stamps were purchased and making subsequent entries in Column A (if applicable; see Column A instructions and chart below) through Column H, as applicable, based on the purchase date of the stamps that you entered on each line in the first column.

Column 1	Column 2	Column 3
Refund amount that the New York State Tax Department may issue for cigarette tax stamps purchased on or after September 1, 2023 (preprinted in Column A of Parts 1 and 2)	Number of cigarettes per pack	Locale for sale of cigarettes
\$5.35 state	20	NY State (outside NYC)
\$5.35 joint	20	New York City
\$6.6875 state	21 - 25	NY State (outside NYC)
\$6.6875 joint	21 - 25	New York City

**Note:** For *How to file for reimbursement of the New York City cigarette tax*, see page 1 of these instructions.

**Column A – Cigarette tax stamp denomination**

Column 1 of the chart below includes information on the cigarette tax denominations that are eligible for redemption/refund, and that are preprinted in Column A of Parts 1 and 2.

Columns 2 and 3 of the chart below can assist in identifying the appropriate cigarette tax denomination (Column A of Parts 1 and 2, on Form CG-114) based on the number of cigarettes in the pack and whether the cigarettes were sold in New York State (outside New York City) or in New York City.

**Column B – Prepaid sales tax per pack**

The prepaid sales tax on cigarettes is required to be paid at the time cigarette stamps are purchased.

Use the appropriate prepayment amounts from the updated chart below to complete Column B.

Date stamps were purchased	20-pack	25-pack
9/1/19 through 8/31/20	88¢	\$1.10
9/1/20 through 8/31/21	91¢	\$1.13
9/1/21 through 8/31/22	94¢	\$1.17
9/1/22 through 8/31/23	97¢	\$1.21
9/1/23 through 8/31/24	\$1.02	\$1.28

**Column C – Number of stamps**

**Part 1 –** Enter the number of tax stamps purchased. List separately according to the date of purchase and pack size.

**Part 2 –** Enter the number of affixed stamps on packs of cigarettes you purchased. List separately according to the date of purchase and pack size.

**Column D – Cigarette tax paid**

Multiply the cigarette tax stamp denomination in Column A by the number of cigarette stamps in Column C, and enter the result.

If you are **not** a cigarette stamping agent, do not complete Column E or F; go to Column G.

**Column E – Commission rate**

Use the chart below to determine the commission rate for your services and expenses in affixing stamps.

**Cigarette stamping agent commission rates**

Value of stamps purchased during calendar year	Rates for NY State stamps only	Rates for joint NY State and NYC stamps
\$5,611,200 or less	.003696	.004071
More than \$5,611,200	.002625	.002893

**Stamping agents only:** In Parts 1 and 2, enter the commission rate that was received for affixing the tax stamps that corresponds to the date the stamps were purchased from the bank.

**Column F – Commission amount**

Multiply the cigarette tax paid in Column D by the commission rate in Column E, and enter the result.

**Column G – Cigarette tax paid less commission**

If you are **not** a cigarette stamping agent, enter the cigarette tax paid from Column D.

**Stamping agents only:** Subtract the commission amount in Column F from the cigarette tax in Column D, and enter the result.

**Column H – Prepaid sales tax paid**

Multiply the prepaid sales tax per pack in Column B by the number of stamps in Column C, and enter the result. If you claimed the prepaid sales tax as a credit on your sales tax return, do **not** enter it in Column H.

**Certification**

Sign the required certification. Please read the certification carefully before signing.

**Mailing address**

Mail your claim form along with any required stamps, coupons, invoices, manufacturer's statements or affidavits, or unsalable cigarettes that you could not return to the manufacturer to:

**NYS TAX DEPARTMENT  
TDAB FACCTS – CIGARETTE TAX UNIT  
W A HARRIMAN CAMPUS  
ALBANY NY 12227-2992**

**Note:** If cigarette stamps are included with this claim, use **registered mail**.

**Private delivery services** – See Publication 55, *Designated Private Delivery Services*.

**Privacy notification**

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

**Need help?**

Visit our website at **[www.tax.ny.gov](http://www.tax.ny.gov)**

- get information and manage your taxes online
- check for new online services and features

**Telephone assistance**

Miscellaneous Tax Information Center: 518-457-5735

To order forms and publications: 518-457-5431

Text Telephone (TTY) or TDD equipment users: Dial 7-1-1 for the New York Relay Service