



New York State Excise Tax on Cigarettes to Increase on September 1, 2023

Cigarette Floor Tax Returns are Due November 20, 2023

Effective September 1, 2023, the New York State excise tax rate on cigarettes will increase by \$1.00 per pack of 20 cigarettes, from \$4.35 to \$5.35.

If you are a retail dealer, wholesale dealer or a cigarette stamping agent, you must pay the increase in tax on all stamped packs of cigarettes and unaffixed tax stamps in your possession as of the close of business on August 31, 2023.

Floor tax returns

Retail dealers and wholesale dealers must:

1. take a physical inventory of all stamped packs of cigarettes on hand at the close of business on August 31, 2023, and
2. file Form CG-11, *Cigarette Tax Floor Tax Return*, and pay the floor tax due by November 20, 2023.

Cigarette stamping agents must:

1. take a physical inventory of all stamped packs of cigarettes, unaffixed cigarette tax stamps, and unstamped packs of cigarettes on hand at the close of business on August 31, 2023, and
2. file Form CG-11 and pay the floor tax due by November 20, 2023.

Cigarette excise tax increase (effective September 1, 2023)

	New York State (outside New York City)		Joint New York State and New York City		Cigarette excise tax increase Floor tax due
	Old rate	New rate	Old rate	New rate	
Pack of 20 cigarettes	\$4.35	\$5.35	\$5.85	\$6.85	\$1.00
Pack of 25 cigarettes	\$5.4375	\$6.6875	\$7.3175	\$8.5675	\$1.25

Recordkeeping for the cigarette tax floor tax

If you store or sell cigarettes, you must:

- keep the original inventory reports at each business location for inspection,
- keep all physical inventory records used to arrive at the amount of cigarette floor tax due, and
- take your own inventory (do not rely on the Tax Department's inventory counts).

You must make your records available to the Tax Department when requested.

Vending machine operators

If you operate cigarette vending machines, you must:

1. Take a physical inventory of as many machines as possible, with available personnel.

If you are unable to conduct a complete physical inventory at the close of business on August 31, 2023, you may estimate the inventory of the remaining machines. Calculate the inventory of each vending machine at one half the machine's normal fill capacity. Base each machine's normal fill capacity on its individual inventory records.

2. Report the inventory of stamped packs of cigarettes in each vending machine or warehouse on *Schedule B* of Form CG-11.

Multiple locations

If you store or sell cigarettes at more than one location, you must:

1. File one consolidated cigarette floor tax return and include an inventory from each location.
2. Report the inventory of stamped packs of cigarettes for each location on *Schedule A* of Form CG-11.

Penalties and interest

If you are subject to the cigarette floor tax and do **not** file a cigarette floor tax return or pay the appropriate tax due by November 20, 2023, we may impose:

- interest and civil penalties under Article 20 of the Tax Law, and
- criminal penalties under Article 37 of the Tax Law.

Amount of penalties

If you are a retail or wholesale dealer and do **not** pay on time, we may charge you:

- 50% of the tax due for the first month or any fraction of a month, plus
- 1% of the tax due for each subsequent month or fraction of a month.

If you are a cigarette stamping agent and do **not** pay on time, we may charge you:

- 10% of the tax due for the first month or any fraction of a month, plus
- 1% of the tax due for each subsequent month or fraction of a month, up to 30% of the amount of the tax due.

If you do not file your return within 60 days of the due date, the minimum penalty is the lesser of the tax due or \$100.

Interest rate

Interest is computed at the rate set by the Commissioner of Taxation and Finance and is compounded daily. It is computed from the day the tax was due until the day the tax is paid. For help in computing interest, visit our website at www.tax.ny.gov (search: *interest*).

Note: An N-Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The department does not revise previously issued N-Notices.