

Ponca Tribe of Nebraska Tax Commission

P.O. Box 288
Niobrara, NE 68760

TOBACCO TAX SUMMARY

What is subject to tobacco tax?	<p>The Tribe imposes a tax on cigarettes and a separate tax on other tobacco products:</p> <ul style="list-style-type: none">• Cigarettes purchased by a retailer and either delivered to or intended to be sold on Tribal lands are subject to cigarette tax.• Retail sales of tobacco (that is not a cigarette) to another person where delivery is made (1) by a seller on Tribal lands (e.g., store on Tribal lands) or (2) to a buyer on Tribal lands (i.e., store off Tribal lands, buyer on Tribal lands) are subject to tobacco tax.
What is exempt from tobacco tax?	<ul style="list-style-type: none">• No cigarettes purchased by a retailer located on Tribal lands are exempt from cigarette tax.• No non-cigarette tobacco sold at retail on Tribal lands is exempt from tobacco tax.
How much is tobacco tax?	<ul style="list-style-type: none">• The amount of tax on cigarettes is currently fifteen cents (\$0.15) per pack, but will automatically raise to twenty cents (\$0.20) per pack on March 1, 2020.• The amount of tax on non-cigarette tobacco is 7% of the total amount charged for the tobacco. If the tobacco is sold for anything other than money, the amount charged for the tobacco is the fair market value of the tobacco sold.
Who pays tobacco tax?	<ul style="list-style-type: none">• Wholesalers of cigarettes charge cigarette tax to retailers and include the price in cigarettes sold. Wholesalers also stamp each pack of cigarettes with the Tax Commission cigarette tax stamp. Wholesalers pay the cigarette tax to the Tax Commission.• Retailers may add tobacco tax to the price they charge for tobacco sold, but if they do not, they must account separately for the tax. Retailers pay tobacco tax to the Tax Commission.
When are tobacco taxes due?	<ul style="list-style-type: none">• Wholesalers must pay cigarette taxes by the 20th of each month for all sales of cigarettes made during the previous month (e.g., pay by June 20 for sales in May).• Retailers must pay tobacco tax by the 20th of each month for all sales of non-cigarette tobacco made during the previous month (e.g., pay by June 20 for sales in May).
Who files tobacco tax returns?	<ul style="list-style-type: none">• Wholesalers must file a wholesaler cigarette tax return with the Tax Commission every month for all sales and stamp impressions made during the previous month.• Retailers must file a retailer tobacco tax return with the Tax Commission every month for all cigarettes purchased and non-cigarette tobacco sold during the previous month. If a retailer has multiple locations, the retailer need only file a single return.
When are tobacco tax returns due?	<p>Both wholesalers and retailers must file their tobacco tax returns by the 20th of each month covering the previous month (e.g., file by June 20 for sales and purchases in May).</p>
Is a license required?	<p>Yes. The Commission currently requires wholesalers to obtain a tobacco tax license. In addition, all retailers located on Tribal lands who engage in retail sales of cigarettes or tobacco products must obtain a tobacco tax license from the Commission for each retail location.</p>
Are any retailers or wholesalers exempt?	<p>No. Any person selling cigarettes or tobacco on Tribal lands must obtain a tobacco tax license, file tobacco tax returns, and collect and pay tobacco tax.</p>

This document is provided only to assist taxpayers and others with understanding the tax summarized. It is not legal advice and does not constitute a ruling or binding document of the Tax Commission or the Tribe.