

Bulletin



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No. TT-30

October 1, 2001

To: Maryland Cigarette Wholesale Licensees

Subject: Cigarette Purchases from Unlicensed Persons

It has recently come to the attention of this division that some Maryland cigarette wholesalers located within the state have been receiving cigarettes from unlicensed entities located outside the state. Be advised that this activity is not authorized under the Business Regulation Article of the Annotated Code of Maryland, Section 16-206(f) re authority of cigarette wholesalers, and would be considered contrary to Section 16-222 of the same article concerning restrictions on shipping, importing or selling cigarettes into the State.

Under Section 16-222, it is a felony for a person to ship or sell any brand of cigarette into the state unless they hold the appropriate license. In the case of a cigarette wholesaler located in Maryland, you may only purchase cigarettes from a licensed cigarette manufacturer or another licensed wholesaler (note: a wholesaler may only sell unstamped cigarettes to another wholesaler with the written approval of this office). Additionally, Section 16-210 lists as grounds for license denials, reprimands, suspensions and revocations, the purchase of cigarettes for resale from a person who is not properly licensed.

Any unlicensed entity that continues to ship cigarettes into Maryland without benefit of a license

may place both the product and the vehicle used to transport the product in jeopardy of confiscation. In addition, the license of any Maryland cigarette wholesaler who continues to receive cigarettes from an unlicensed out-of-state entity, contrary to the referenced sections of the Business Regulation Article, could be subject to disciplinary proceedings as provided by Section 16-210.

We anticipate the cooperation and support of all Maryland cigarette licensees in our continued enforcement of Maryland's cigarette license and tax laws. Should you have any questions concerning the above, you may contact Ms. Christie E. Mattox at 410-260-7312.

Charles W. Ehart
Director
Alcohol and Tobacco Tax Division