

Penalties for Possession of False, Altered, or Counterfeit Cigarette Tax Stamps, Imprints, or Impressions

Chapter 604 of the Laws of 2008 has amended Article 20 of the Tax Law to add new civil penalties for the possession of unaffixed false, altered, or counterfeit cigarette tax stamps, imprints, or impressions.

Effective immediately, section 481(1)(b) of the Tax Law is amended to authorize the Tax Department to impose a penalty of up to \$200 for each ten unaffixed false, altered, or counterfeit cigarette tax stamps, imprints or impressions, or fraction thereof, in the possession or under the control of any person.

In lieu of the penalty described above, the Tax Department may impose a penalty as described below:

- \$30 - \$200 for each ten unaffixed false, altered, or counterfeit cigarette tax stamps, imprints, or impressions or fraction thereof when quantities of 250 or less are knowingly in the possession of or knowingly under the control of any person.
- \$75 - \$200 for each ten unaffixed false, altered, or counterfeit cigarette tax stamps, imprints, or impressions or fraction thereof when quantities of more than 250 but not more than 1,000 are knowingly in the possession of or knowingly under the control of any person.
- \$100 - \$200 for each ten unaffixed false, altered, or counterfeit cigarette tax stamps, imprints, or impressions or fraction thereof when quantities of more than 1,000 are knowingly in the possession of or knowingly under the control of any person.

For additional information regarding other penalty and enforcement provisions that may apply, refer to TSB-M-03(1)M, *Enforcement Provisions Regarding the Sale, Shipment, and Possession of Cigarettes and Tobacco Products in New York State*. This TSB-M may be accessed from our website at (www.nystax.gov).

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.