

# Iowa Tax NEWS

The quarterly newsletter of the Iowa Department of Revenue and Finance

## Iowa's new law prohibits self-service tobacco displays

Beginning January 1, 1999, Iowa retailers will be required to put tobacco products behind the counter, or in some other restricted location where customers can't access them without a store clerk's assistance. This law applies to **all** Iowa establishments that sell tobacco, **even adults-only locations**. This Q & A attempts to address some of the practical questions raised by this new law (HF 2120), and provides citations to the Iowa Code. The main prohibition is in Iowa Code section 453A.36A.

### Q: Why did the legislature pass a ban on self-service displays of tobacco products?

A: The legislature was concerned that self-service tobacco displays permit minors to obtain cigarettes and other tobacco products through shoplifting.

**IMPORTANT NOTE**  
Please address your questions regarding the general operation of the self-service tobacco ban to Steve St. Clair of the Iowa Attorney General's Office at (515) 281-3731. For individual legal advice, contact your attorney. Please do **not** call Taxpayer Services about this issue.

This belief was supported by data showing that millions of cigarettes are stolen from Iowa tobacco sellers each year, and by studies indicating that many young people – including some of the youngest “starter” smokers – obtain their cigarettes by shoplifting.

*continued on page 2*

## Local option sales tax imposed in 38 jurisdictions

Voters in the 38 jurisdictions below have elected to impose the 1 percent local option sales tax effective January 1, 1999. County and county codes are listed in bold.

**Audubon/05** – Brayton, Gray  
**Clay/21** – Dickens, Everly, Fostoria, Gillett Grove, Greenville, Peterson, Rossie, Royal, Spencer, Webb, Unincorporated Area

**Crawford/24** – Arion, Aspinwall, Buck Grove, Charter Oak, Deloit, Denison, Dow City, Kiron, Manilla, Ricketts, Schleswig, Vail, Westside, Unincorporated Area

**Dallas/25** – Bouton, Minburn, Perry, Redfield

**Grundy/38** – Beaman, Dike, Grundy Center, Holland, Welsburg

**Jones/53** – Anamosa

**Shelby/83** – Kirkman

A list of all current local option sales tax jurisdictions is included on pages 3 and 4 of this newsletter. Alphabetical lists by city and county are available on the department's website at:

<http://www.state.ia.us/tax>

**Shelby County adopts School Infrastructure local option tax**  
Shelby County voters have elected to impose the 1 percent School Infrastructure local option tax effective January 1, 1999.

## DEPARTMENT SERVICES

### ONLINE

*Internet Address (URL)*

<http://www.state.ia.us/tax>

*E-mail*

[iadrf@iadrf.e-mail.com](mailto:iadrf@iadrf.e-mail.com)

### BY TELEPHONE

*Taxpayer Services*

from Des Moines  
or out of state,

(515) 281-3114

from elsewhere in Iowa or Rock  
Island-Moline or Omaha

1-800-367-3388

*To Order Iowa Tax Forms*

(515) 281-7239 or  
1-800-532-1531

*"Where's My Refund?"*

(515) 281-4966 or  
1-800-572-3944

### BY FAX

*Receive Iowa Tax Forms through  
department's Tax-Fax System*

1-800-572-3943

*Taxpayer Services Fax Number*

(515) 242-6487

## Law prohibits self-service tobacco displays

*continued from page 1*

**Q: Which tobacco products will have to go "behind the counter" under the new law?**

A: This law applies to all types of tobacco products, including, for example, cigarettes, cigars, snuff, and other chewing tobaccos. But there is an exception that permits cartons of cigarettes or other tobacco products to remain on store shelves in a self-service format. A "carton" is defined as a container of 10 or more packs of cigarettes or packages of other tobacco products. (The phrase "covered tobacco products" below reflects the fact that even though all types of tobacco are covered, cartons of cigarettes or other tobacco products are not.) **NOTE** that a retailer who continues to maintain cigarette cartons in a self-service format has to take care to ensure that there are no open cartons on store shelves, exposing individual cigarette packs to being picked up by customers. Individual packs displayed in that manner violate the self-service prohibition.

**Q: How are cigarette vending machines treated under the law banning self-service displays of tobacco products?**

A: There is a separate Iowa law restricting where cigarette vending machines may be placed. Iowa Code section 453A.36 (6) permits such vending machines only if they are located where no person under 18 years of age is ever present. As long as a cigarette vending machine complies with that restriction, it is exempt from operation of the self-service ban.

**Q: Does a retailer literally have to put all covered tobacco products "behind the counter"? Could a**

**locked enclosure elsewhere within the store be used instead?**

A: Any arrangement in which a customer has no way of taking possession of covered tobacco products without a clerk's assistance complies with the law. However, a locked enclosure which is not behind the counter raises the possibility that it will be left open or unlocked, perhaps to avoid the clerk's having to make repeated trips to unlock the enclosure for customers. If that occurs, the law is violated.

**Q: Are there criminal penalties for violating this law?**

A: Yes. Under Iowa Code section 453A.37, a violation is a fraudulent practice. The penalty for a fraudulent practice depends upon the amount involved, which in this context presumably means the value of the quantity of tobacco product unlawfully displayed. A fraudulent practice can range from a simple misdemeanor to a felony. See section 714.8(10) and section 714.14.

**Q: Can a violation also affect a retailer's permit to sell cigarettes?**

A: A violation of the self-service ban by a holder of a permit to sell cigarettes is grounds for revocation of that permit.

**Q: To whom are violations to be reported?**

A: Local police and sheriff's departments are the authorities that investigate and issue citations for criminal violations. Proceedings against a permit-holder are initiated by the city or county attorney and/or the city or county health department before the city council or the board of supervisors. Citizens observing a violation of this law may bring it to the seller's attention so that it can be quickly remedied, or report the violation to the local police or sheriff's department, to the city or county attorney, and/or to the city or county health department.

# IOWA LOCAL OPTION SALES TAX JURISDICTIONS

All jurisdictions listed have imposed the local option tax at a rate of 1 percent effective for the quarter beginning January 1, 1999.

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES	COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Allamakee / 03	Harpers Ferry, Postville, Waterville	1-1-95	Crawford / 24	Arion, Aspinwall, Buck Grove, Charter Oak, Deloit, Denison, Dow City, Kiron, Manilla, Ricketts, Schleswig, Vail, Westside, Unincorporated Area	1-1-99
	Waukon	1-1-96			
	Lansing, New Albin	7-1-96	Dallas / 25	Bouton, Minburn, Perry, Redfield	1-1-99
	Unincorporated Area	10-1-97	Decatur / 27	Davis City, Decatur, Garden Grove, Grand River, Lamoni, Leroy, Pleasanton, Van Wert	1-1-97
Audobon / 05	Brayton, Gray	1-1-99	Delaware / 28	Colesburg, Delaware, Delhi, Earlville, Greeley, Manchester, Masonville	10-1-94
Black Hawk / 07	Cedar Falls, Elk Run Heights, Evansdale, Hudson, Raymond, Waterloo	4-1-91		Dundee, Dyersville, Hopkinton, Ryan, Unincorporated Area	4-1-95
	Dunkerton, Gilbertville, Janesville, La Porte City, Unincorporated Area	10-1-91		Edgewood	4-1-96
Boone / 08	Berkley, Luther, Pilot Mound	4-1-89	Des Moines / 29	Burlington, Danville, Middletown, West Burlington	10-1-94
	Boone	7-1-90		Mediapolis, Unincorporated Area	4-1-95
	Boxholm, Ogden, Sheldahl, Unincorporated Area	1-1-91	Dickinson / 30	Lake Park, Okoboji, Orleans, Spirit Lake, Superior, Terril	4-1-97
	Madrid	7-1-91		Arnolds Park, Milford, Wahpeton, West Okoboji, Unincorporated Area	1-1-98
	Fraser	1-1-92	Dubuque / 31	Asbury, Balltown, Centralia, Dubuque, Holy Cross, Sageville, Zwingle	4-1-88
	Beaver	1-1-95		Bankston, Bernard, Epworth, Farley, Graf, Peosta, Sherrill, Unincorporated Area	7-1-88
Bremer / 09	Frederika, Sumner, Tripoli	4-1-98		Cascade, Dyersville, Luxemburg, New Vienna, Rickardsville, Worthington	10-1-89
Buchanan / 10	Aurora, Lamont, Stanley	10-1-95	Emmet / 32	Armstrong, Ringsted	1-1-98
	Fairbank, Hazleton, Jesup, Winthrop	10-1-98	Fayette / 33	Arlington, Clermont, Elgin, Hawkeye, Maynard, Oelwein, Randalia, St. Lucas, Wadena, Waucoma, Westgate	1-1-95
Buena Vista / 11	Albert City, Linn Grove, Marathon, Newell, Sioux Rapids, Truesdale	7-1-91		Fayette, West Union, Unincorporated Area	7-1-95
	Alta, Lakeside, Rembrandt, Storm Lake, Unincorporated Area	10-1-95	Floyd / 34	Floyd, Marble Rock, Nora Springs, Rockford, Rudd	10-1-96
Butler / 12	Allison, Aplington, Aredale, Bristow, Dumont, Greene, New Hartford, Parkersburg	1-1-97		Charles City, Colwell, Unincorporated Area	10-1-97
Cass / 15	Anita, Cumberland, Griswold, Lewis, Marne, Massena, Wiota	1-1-97		Franklin / 35	10-1-98
	Atlantic, Unincorporated Area	10-1-97		Coulter, Dows, Geneva, Hansell, Latimer, Sheffield	10-1-95
Cerro Gordo / 17	Clear Lake, Dougherty, Mason City, Meservey, Plymouth, Rock Falls, Rockwell, Swaledale, Thornton, Ventura	7-1-92		Hampton, Popejoy, Unincorporated Area	10-1-96
	Unincorporated Area	1-1-93	Fremont / 36	Farragut, Hamburg, Imogene, Randolph, Riverton, Shenandoah, Sidney, Tabor, Thurman, Unincorporated Area	1-1-96
Cherokee / 18	Aurelia, Cleghorn, Larrabee, Marcus, Meriden, Washta	7-1-96		Grundy / 38	1-1-99
	Quimby	1-1-98		Beaman, Dike, Grundy Center, Holland, Welsburg	1-1-99
Chickasaw / 19	Alta Vista, Bassett, Fredericksburg, Ionia, Lawler, Nashua, New Hampton, North Washington, Unincorporated Area	4-1-97	Hancock / 41	Corwith, Crystal Lake, Garner, Goodell, Kanawha, Klemme, Woden	1-1-96
Clay / 21	Dickens, Everly, Fostoria, Gillett Grove, Greenville, Peterson, Rossie, Royal, Spencer, Webb, Unincorporated Area	1-1-99		Britt, Unincorporated Area	1-1-97
Clayton / 22	McGregor	1-1-90		Unincorporated Area	7-1-98
	Elkader, Garnavillo, Luana, Millville, Marquette, Saint Olaf	4-1-94	Hardin / 42	Alden, Buckeye, Eldora, Hubbard, Iowa Falls, Radcliffe, Steamboat Rock, Unincorporated Area	4-1-96
	Elkport, Farmersburg, Garber, Guttenberg, Littleport, Monona, Volga	10-1-94		Ackley, New Providence, Owasa, Union, Whitten	1-1-97
	Edgewood, North Buena Vista, Strawberry Point, Unincorporated Area	10-1-95	Harrison / 43	Dunlap, Little Sioux, Mondamin, Persia, Pisgah	10-1-97
Clinton / 23	Andover, Calamus, Camanche, Clinton, Delmar, De Witt, Goose Lake, Grand Mound, Low Moor, Toronto, Welton, Wheatland	10-1-89		Logan, Magnolia, Missouri Valley, Modale, Woodbine	10-1-98
	Charlotte, Lost Nation, Unincorporated Area	1-1-90			

continued on page 4

**Local Option Sales Tax List continued from page 3**

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Henry / 44	Coppock, Hillsboro, Mount Pleasant, ... Mount Union, New London, Olds, Rome, Salem, Westwood, Winfield Wayland, Unincorporated Area	10-1-95 1-1-96
Howard / 45	Chester, Cresco, Lime Springs, ..... Protivin Elma, Unincorporated Area Riceville	1-1-94 7-1-94 1-1-95
Ida / 47	Galva	4-1-97
Iowa / 48	Ladora, North English, Parnell, ..... Williamsburg Marengo, Millersburg, Victor, ..... Unincorporated Area	4-1-94 4-1-95
Jackson / 49	Baldwin, La Motte, Miles, Preston, ..... Sabula, Saint Donatus, Spragueville, Springbrook Bellevue, Zwingle Maquoketa, Monmouth Andrew, Unincorporated Area	10-1-89 4-1-91 10-1-94 1-1-95
Jones / 53	Cascade, Center Junction, Morley, ..... Olin, Onslow, Oxford Junction Monticello, Wyoming Anamosa	4-1-95 1-1-96 1-1-99
Lee / 56	Fort Madison, Franklin, Keokuk, ..... Montrose St. Paul Donnellson, Houghton, West Point, .... Unincorporated Area	10-1-91 1-1-93 1-1-95
Linn / 57	Bertram Prairieburg	1-1-86 10-1-98
Lucas / 59	Chariton, Derby, Lucas, Russell, ..... Williamson	4-1-98
Lyon / 60	Alvord, Doon, George, Inwood, ..... Lester, Little Rock, Rock Rapids, Unincorporated Area	10-1-96
Mahaska / 62	Barnes City, Beacon, Fremont, ..... Keomah Village, Leighton, New Sharon, Oskaloosa, Rose Hill, University Park, Unincorporated Area Eddyville	4-1-95 10-1-95
Marshall / 64	Liscomb	1-1-97
Mills / 65	Emerson, Henderson, Malvern, Tabor	1-1-96
Mitchell / 66	Carpenter, Mitchell, Orchard, Osage, .. Riceville, St. Ansgar, Stacyville McIntire, Unincorporated Area	1-1-95 7-1-95
Monona / 67	Blencoe, Castana, Mapleton, ..... Moorhead, Onawa, Rodney, Soldier, Turin, Ute, Whiting, Unincorporated Area	7-1-90
Montgomery / 69	Coburg, Elliott, Stanton, Villisca Grant	1-1-96 4-1-96
Muscatine / 70	Atalissa, Conesville, Fruitland, ..... Muscatine, Stockton, Wilton Nichols, Unincorporated Area Durant, West Liberty	7-1-94 1-1-95 7-1-95
O'Brien / 71	Archer, Calumet, Paullina, Primghar, .. Sanborn, Sheldon, Sutherland, Unincorporated Area Hartley	1-1-96 7-1-98

COUNTY / CODE	JURISDICTIONS	EFFECTIVE DATES
Page / 73	Blanchard, Braddyville, Coin, ..... College Springs, Essex, Shambaugh, Shenandoah, Yorktown Clarinda, Hepburn, Northboro, ..... Unincorporated Area	1-1-96 7-1-96
Plymouth / 75	Hinton, Kingsley, Merrill, Oyens, ..... Struble, Westfield	10-1-98
Polk / 77	Polk City Sheldahl	1-1-86 7-1-87
Pottawattamie / 78	Macedonia, Minden Council Bluffs Avoca, Carson, Carter Lake, ..... Crescent, Hancock, McClelland, Neola, Oakland, Treynor, Underwood, Walnut Unincorporated Area	1-1-89 4-1-90 1-1-95 4-1-95
Scott / 82	Bettendorf, Blue Grass, Buffalo, ..... Davenport, Dixon, Donahue, Eldridge, LeClaire, Long Grove, Maysville, McCausland, New Liberty, Panorama Park, Princeton, Walcott, Riverdale, Unincorporated Area Durant	1-1-89 4-1-97
Shelby / 83	Defiance, Earling, Elk Horn, Irwin, ..... Panama, Portsmouth, Shelby, Tennant, Westphalia Kirkman	1-1-98 1-1-99
Sioux / 84	Alton, Boyden, Chatsworth, Granville, . Hawarden, Hull, Ireton, Matlock, Maurice, Orange City, Sioux Center, Unincorporated Area Hospers, Rock Valley, Sheldon	10-1-95 7-1-96
Story / 85	Ames, Huxley Cambridge, Collins, Colo, Gilbert, ..... Kelley, McCallsburg, Roland, Sheldahl, Slater, Unincorporated Area Nevada, Maxwell, Zearing Story City	1-1-87 7-1-87 1-1-89 10-1-90
Wapello / 90	Agency, Blakesburg, Eddyville, ..... Eldon, Kirksville, Ottumwa, Unincorporated Area	7-1-98
Winneshiek / 96	Decorah Calmar, Castalia, Fort Atkinson, ..... Jackson Junction, Ossian, Ridgeway, Spillville, Unincorporated Area	4-1-91 7-1-91
Woodbury / 97	Bronson, Cushing, Merville, Oto, ..... Salix, Sergeant Bluff, Sioux City, Sloan Anthon, Correctionville, Danbury, ..... Hornick, Lawton, Pierson, Smithland, Unincorporated Area	1-1-87 10-1-88
Worth / 98	Fertile, Grafton, Hanlontown, Joice, .... Kensett, Manly, Northwood Unincorporated Area	1-1-97 7-1-97

**School Infrastructure Local Option Jurisdictions  
(additional 1 percent tax countywide)**

<b>Shelby County / 85</b>	<b>effective</b>	<b>1-1-99</b>
<b>Woodbury County / 97</b>	<b>effective</b>	<b>10-1-98</b>