

IOWA NONPARTICIPATING MANUFACTURER QUARTERLY COMPLIANCE WORKSHEET

Part 1: Manufacturer's Identification

1. Name: _____
2. Street Address: _____
3. City, State, Country, Zip: _____
4. Telephone Number: _____
5. Electronic Mail Address: _____

Part 2: Liability Year: Complete only one quarter of liability on this form.

6. SALES YEAR: _____ SALES QUARTER: _____

NOTE: You must also file an annual certificate of compliance on or before April 30 of each year. The annual form is in addition to the quarterly form.

Part 3: Units Sold

7. *“Units sold” means:* the number of individual cigarettes and the amount of “roll-your-own tobacco” (based on .09 ounces of “roll-your-own” tobacco constituting one cigarette), that your company sold in Iowa, whether directly or through a distributor, retailer or similar intermediary or intermediaries during the year in question, as measured by excise taxes collected by the state on cigarette packs or “roll-your-own” tobacco containers bearing the excise stamp of the state.

Units sold in Iowa: 7. _____

Part 4: NPM Brand Information (attach additional sheets if necessary)

Brand Family	RYO or Cigarettes	Number of Units Sold During Sales Quarter

Part 5: Deposit Amount

Use the rates listed below to figure the appropriate deposit amount.

Liability year: For sales in Iowa from May 20, 1999, through December 31, 1999, the rate per unit is \$.0094241;
 For 2000: \$.0104712 per unit sold;
 For each of 2001 and 2002: \$.0136125;
 For each year 2003 through 2006: \$.0167539; and
 For 2007 and each year thereafter: \$.0188482 per unit sold.

8. The appropriate rate for the liability year: 8. _____
9. Multiply Line 8 by Line 7, and write the amount. **This is the total amount to be paid into the qualified escrow account at this time:** 9. _____

Important Note: This amount does not include the inflation adjustment that will need to be paid at the end in April of 2010. The inflation adjustment for 2009 sales is \$0.0266359.

It is necessary to attach a copy of your receipt or other proof of deposit from your financial institution as well as a copy of the escrow agreement between you and the institution.

Part 6: Financial Institution

10. Name: _____
Street Address: _____
City, State, Country, Zip: _____

11. Escrow Account Number: _____ Total amount held in this account \$ _____

Part 7: Signature

Under penalties of perjury, I state that, to the best of my knowledge, all of the information contained in this certificate is true and accurate. (This document must be signed and dated by an authorized notary public).

Sworn and subscribed before me
this ____ day of _____, 200__

_____ Print the name of the authorized agent Title

Signature of the Notary Public

Signature of the authorized agent Date

City/State: _____

My Commission expires: ____/____/____

Part 8: Mail this Quarterly Escrow Certificate of Compliance to:

Matt Gannon, Assistant Attorney General **OR**
Joelyn L. Gast, Investigator
Tobacco Project
Iowa Attorney Generals Office
Hoover Building, 2nd Floor
1305 E. Walnut St.
Des Moines, IA 50319

Phone: 281-8206
Fax: 515-281-6771

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General Information and Instructions:

Who is required to make escrow payments and file this Quarterly Escrow Certificate of Compliance?

Under Iowa Administrative Rule 61-5, the attorney general may require quarterly payments from a nonparticipating manufacturer to which any of the following criteria apply:

- **5.3(1) No previous escrow deposit.** The nonparticipating manufacturer has not previously established and funded a qualified escrow fund for Iowa;
- **5.3(2) No escrow deposit for more than one year.** The nonparticipating manufacturer has not made any escrow deposits for more than one year;
- **5.3(3) Untimely or incomplete deposits.** The nonparticipating manufacturer has failed to make a timely and complete escrow deposit for any prior calendar year;
- **5.3(4) Outstanding judgments.** The nonparticipating manufacturer has failed to pay any judgment awarded to the state, including any civil penalty;
- **5.3(5) Large sales volume.** The nonparticipating manufacturer sells more than 1,630,000 sticks or 147,000 ounces of roll-your-own product during a quarter.
- **5.3(6) Other reasonable cause.** In addition to the criteria specified in subrules 5.3(1) to 5.3(5), the attorney general may require quarterly payments from a nonparticipating manufacturer if the attorney general has reasonable cause to believe that the nonparticipating manufacturer may not make its full required escrow deposit at the end of the sales year.

What is a qualified escrow fund?

Under Iowa Code 453C, a “qualified escrow fund” means an escrow arrangement with a federally or state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least one billion dollars where such arrangement requires that such financial institution hold the escrowed funds’ principal for the benefit of releasing parties and prohibits the tobacco product manufacturer placing the funds into escrow from using, accessing, or directing the use of the funds’ principal except as consistent with Iowa Code section 453C.2, subsection 2, paragraph “b”.

When are quarterly escrow payments due?

Under Iowa Administrative Rule 61-5, nonparticipating manufacturers required to make quarterly payments must do so as follows:

- **5.4(1) Payments for sales occurring in the first quarter,** January 1 through March 31, are due April 30 of the same year.
- **5.4(2) Payments for sales occurring in the second quarter,** April 1 through June 30, are due July 31 of the same year.
- **5.4(3) Payments for sales occurring in the third quarter,** July 1 through September 30, are due October 31 of the same year.
- **5.4(4) Payments for sales occurring in the fourth quarter,** October 1 through December 31, are due January 31 of the next year.

What is the deadline for filing this Quarterly Escrow Certificate of Compliance?

Under Iowa Administrative Rule 61-5, the following deadlines apply:

- **For first quarter sales**, the attorney general's office must receive official notification of the payments (quarterly certificate of compliance) no later than May 10 of the same year.
- **For second quarter sales**, the attorney general's office must receive official notification of the payments (quarterly certificate of compliance) no later than August 10 of the same year.
- **For third quarter sales**, the attorney general's office must receive official notification of the payments (quarterly certificate of compliance) no later than November 10 of the same year.
- **For fourth quarter sales**, the attorney general's office must receive official notification of the payments (quarterly certificate of compliance) no later than February 10 of the next year.

What are the consequences if an NPM fails to comply?

Under Iowa Administrative Rule 61-5, the nonparticipating manufacturer and its brands may be removed from the Iowa Directory of Certified Tobacco Manufacturers and Brands if:

1. Required quarterly escrow payments are not timely made in full; or
2. The attorney general is not timely notified that the quarterly escrow payments have been made in full.

Specific Instructions:

Part 1: Manufacturers Identification: Write the name, address, telephone, and fax number of the manufacturer.

Part 2: Reporting Period: Enter the sales reporting period for which the escrow deposit is being made.

Part 3: Units Sold: Enter the number of individual cigarettes and the amount of roll-your-own tobacco (0.09 ounces constitutes one cigarette) manufactured by you and sold in Iowa during the reporting period. Make sure to include the total number sold in Iowa during the reporting period.

Part 4: Brand Information: List all the brand names sold during the reporting period.

Part 5: Escrow Rates & Payments: Determine the appropriate rate per cigarette for the sales reporting period.

Total Escrow Deposit Paid: Multiply the number of units sold times by the proper escrow rate to arrive at the total deposit to be paid into your qualified escrow account for the applicable sales reporting period.

Part 6: Financial Institution: Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also, write the total cumulative amount currently in your escrow account for the benefit of Iowa.

Part 7: Signature: An authorized notary public must also sign and date this Escrow Certificate of Compliance.

Part 8: Iowa Attorney Generals Address: Mail the Quarterly Certificate of Compliance to Donald D. Stanley at the Iowa Attorney General's Office.