

**INSTRUCTIONS FOR FORM NYC OTP-R****Wholesale Dealer of Tobacco Products
Tax Return and Accompanying Schedules****GENERAL INFORMATION****Who must file**

A NYC licensed Tobacco Products Wholesaler must complete this return and pay the tax due on sales of tobacco products to NYC Retail Dealers or other persons in New York City for purposes of resale sales of tobacco products in New York City.

Note: Failure to file returns or to file properly completed returns may result in revocation of your Wholesale Tobacco Products License.

When to file

Beginning June 1, 2018 every person required to hold a New York City Wholesale Tobacco Products License must begin collecting the OTP Tax and file a monthly NYC OTP Tax return. Form OTP-R must be filed each month on or before the 20th day of the following month. A return must be filed even if no tax is due. The first monthly tax return for the month of June 2018 is due July 20, 2018.

Definitions - Other Tobacco Products Category

Cigar - Any roll of tobacco for smoking that is wrapped in leaf tobacco or in any substance containing tobacco, with or without a tip or mouthpiece. Cigar does not include a little cigar.

Little cigar - Any roll of tobacco for smoking that is wrapped in leaf tobacco or in any substance containing tobacco and that weighs no more than four pounds per thousand or has a cellulose acetate or other integrated filter.

Loose tobacco - Any product that consists of loose leaves or pieces of tobacco that is intended for use by consumers in a pipe, roll-your-own cigarette, or similar product or device.

Smokeless tobacco - Any tobacco product that consists of cut, ground, powdered, or leaf tobacco and that is intended to be placed in the oral or nasal cavity.

Snus - Any smokeless tobacco product marketed and sold as snus, and sold in ready-to-use pouches or loose as a moist powder.

Shisha - Any product that contains tobacco and is smoked or intended to be smoked in a hookah or water pipe.

Other Tobacco Products Tax Rates

	Tobacco Product	Amount of OTP tax (excluding sales tax)
1	Cigar	\$0.80 per individually packed cigar; for a package, \$0.80 for first cigar, plus \$0.175 for each additional cigar
2	Little Cigar	\$1.09 per pack
3	Smokeless Tobacco	\$0.80 per 1.2 oz. plus an additional \$0.20 for each 0.3 oz. or any fraction thereof in excess of 1.2 oz.
4	Snus	\$0.80 per 0.32 oz. plus an additional \$0.20 for each 0.08 oz. or any fraction thereof in excess of 0.32 oz.
5	Shisha	\$1.70 per 3.5 oz. plus an additional \$0.34 for each 0.7 oz., or any fraction thereof in excess of 3.5 oz.
6	Loose Tobacco	\$0.25 per 1.5 oz. package plus an additional \$0.05 for each 0.3 oz. or any fraction thereof in excess of 1.5 oz.

Note: OTP tax rates are based on NYC minimum retail price floor for tobacco products

SECTION I:**Licensees Information**

Enter your legal name, trade name, complete address, and taxpayer ID (federal employer identification number (EIN) or social security number (SSN)). Enter the month and year of the period covered by this return. Enter New York State Products Wholesale License Number and New York City Tobacco Products Wholesale License Number.

Nature of Business

Mark an X in the appropriate box(es) to indicate whether the business is a manufacturer, importer, wholesaler, distributor, retailer or an out-of-state distributor.

No business this month – Mark an X in the box if you did not sell tobacco products into New York City during the month. Sign your return and mail it to the address indicated on the return.

Final Return – Mark an X in the box if you are filing a final return and requesting that your NYC wholesale license be canceled. Complete this return for your final month of operations. Sign your return and mail it to the address indicated on the return.

Amended return – Mark an X in the box if this return amends a previously filed return. Enter the month and year of the period covered by the amended return in the space provided. The amended return should indicate the correct figures for that month, not the difference between the amount previously reported and the new figures. A full explanation of the changes must accompany the amended return. Sign your return and mail it to the address indicated on the return.

SECTION II – REPORT OF ALL TOBACCO PRODUCTS

Note: To be completed by wholesalers located within New York City.

Enter your beginning and ending inventory of tobacco products and the amounts that relate to the tobacco products you sold to and had returned from any person located in New York City. For tax exempt sales, enter net amounts you sold to any person located outside of New York City and/or any NYC licensed tobacco wholesalers located within New York City.

Enter the quantity amounts for line 1 to 10 in the appropriate column(s). Attach related schedule(s), if any. For more on the determination of the quantity see the Quantity Calculation section below.

SECTION II – NR – REPORT SALES OF TOBACCO PRODUCTS

Note: To be completed by non-resident wholesalers located outside of New York City.

For tax exempt sales, enter net amounts that relate to the tobacco products you sold to any tobacco wholesalers located within New York City. Enter the amounts you sold to and returned from any person located within New York City. Enter the quantity amounts for line 1 to 4 in the appropriate column(s). Attach related schedule(s), if any. For more on the determination of the quantity see the Quantity Calculation section immediately below.

Quantity Calculation

Example 1(A). Wholesaler sold 40 boxes of 20 cigars in a box to retailer. Under Cigar columns, quantity for "Individually Packed Cigar or First cigar in a package" is 40; quantity for "additional cigars excluding first cigar in a package" is 760. 760 is calculated as $(40 \times 20) - 40 = 760$

Example 1(B). Assume the boxes of twenty in Example 1(A) each contain four packages of 5 cigars, and the wholesaler sells them intact as boxes of twenty. The result is the same as in Example 1(A).

Example 1(C). Assume the wholesaler breaks down the boxes of twenty and sells all the cigars in packages of 5. Hence, the 40 boxes of 20 cigars are now sold as 160 $(20 \div 5 = 4 \times 40 = 160)$ packages of 5 cigars. The quantity for "Individually Packed Cigar or First Cigar in a Package" is 160. The quantity for "Additional Cigars Excluding first cigar in a Package" is 640.

Example 2. Wholesaler sold 40 individually packed cigars to retailer. Under Cigar columns, quantity for "Individually Packed Cigar or First cigar in a package" is 40; quantity for "additional cigars excluding first cigar in a package" is 0.

Example 3. Wholesaler sold 3 packages of 1 oz. of snus to retailer. Under Snus columns, quantity for "Units of Packages weight 0.32 or less" is 3; quantity

for "Each additional 0.08 oz. or any fraction thereof in excess of 0.32 oz." is 27. 27 is calculated as $(1 - 0.32) / 0.08 = 8.5 \approx 9$; $9 \times 3 = 27$

Example 4. Wholesaler sold 5 packages of 2.0 oz. of smokeless tobacco to retailer. Under Smokeless Tobacco columns, quantity for "Units of Packages weight 1.2 or less" is 5; quantity for "Each additional .3 oz or any fraction thereof in excess of 1.2 oz. is 15 calculated as $(2.0 - 1.2) / .3 = 2.67 \approx 3$; $3 \times 5 = 15$.

(The same calculation method applies to Shisha and Loose tobacco)

SECTION III – SUMMARY OF OTP TAX

Lines 1 through 6 - For resident wholesalers, enter amount(s) from Section II line 6 into appropriate line(s) for Quantity and multiply by appropriate tax rate(s). For non-resident wholesalers, enter amount(s) from Section II-NR line 4 into appropriate line(s) for Quantity and multiply by appropriate tax rate(s). Enter total amount of tax due by adding line 1 to line 6.

Line 7 - Enter total amount of NYC OTP tax by adding line 1 through line 6.

Line 8 - Deduct any overpayment or add any underpayment from previous returns. Attach all supporting documentation. If the total adjustments from prior returns resulted in an overpayment of tax, enter as a negative amount using a minus (-) sign. Attach a complete explanation.

Note: Positive amount for underpayment and negative amount for overpayment. If you filed an amended return to report changes to a prior return, you may not claim that adjustment on line 8.

Line 9 - Deduct any prepaid tax collected by your supplier(s) during this filing period. Supplier(s) must be licensed with NYC as OTP Wholesale Dealer(s). Attach all supporting documentation.

Line 10 - Net total tax amount owed or overpayment for this filing period.

- If line 8 is a positive amount (underpayment), add line 7 and line 8, then subtract line 9.
- If line 8 is a negative amount (overpayment), subtract line 8 and line 9 from line 7

Line 11 - a - If line 10 is overpayment, amount to be credited to next month's return as overpayment adjustment or;

b - If line 10 is overpayment, amount to be refunded.

SECTION IV: CERTIFICATION

The return must be signed and dated by the owner (if an individual), a partner (if a partnership), or by the officer, or any other person authorized to act on behalf of the corporation (if a corporation). The fact that an individual's name is signed on the certification will be prima facie evidence that the individual is authorized to sign and certify the report on behalf of the business. Additionally, if anyone other than an employee, owner, partner, or officer of the business is paid to prepare the return, he or she is required to sign and date the return and provide mailing address and telephone number.

SCHEDULES A AND A-1

These schedules are to be completed by wholesalers located in New York City.

SCHEDULES B AND B-1

These schedules are to be completed by all wholesalers making tax exempt sales of tobacco products within New York City and by wholesalers located in New York City making sales to persons outside of New York City.

SCHEDULES C AND D

These schedules are to be completed by all wholesalers.

On Schedule C, wholesalers must report all nonexempt sales to retail dealers located in New York City. Wholesalers must also report on this schedule all nonexempt sales to all other persons who are not NYC licensed wholesale dealers subject to the OTP Tax collection requirements. All wholesale dealers are subject to OTP Tax collection unless they are a wholesaler specifically relieved from these OTP tax collection requirements by the Commissioner of Finance pursuant to Ad. Code section 11-1302.1(g)(2)(B) because the relieved wholesaler obtains all of its inventory from other NYC licensed wholesale dealers or NYS distributors who advance the OTP Tax on products sold or transferred to the relieved wholesaler.

Paid preparer's responsibilities

Under the law, all paid preparers must sign and com-

plete the paid preparer section of the form. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full. When completing this section, you must enter your federal preparer tax identification number (FEIN) if you have one; if not, you must enter your SSN.

Payment and mailing address

Make your check or money order payable to:

NYC Department of Finance

Write on your check or money order Form OTP-R, your tax identification number, and the period that you are reporting. Attach your remittance to the return and mail to:

NYC Department of Finance
Sheriff's Office, Tobacco Tax Unit
30-10 Starr Avenue, 2nd Floor
Long Island City, NY 11101