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Governor

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ARIZONA LUXURY TAX NOTICE LTN 15-4

Manufacturers' Samples of Tobacco Products

In response to queries regarding the Arizona Department of Revenue's ("Department") treatment of manufacturers' samples of cigarettes and other tobacco products, provided free of charge for distribution to consumers within Arizona, the Department provides the following guidance:

- Samples of cigarettes, whether loose or packaged in quantities of less than 20, cannot be lawfully distributed within Arizona under any circumstances, regardless of whether they are provided free of charge.
- Samples of cigarettes packaged in quantities of 20 or 25 can be lawfully distributed within Arizona, provided that an Arizona licensed distributor has reported and affixed the proper Arizona tax stamps to the packs to demonstrate payment of applicable state tobacco taxes. The Department advises any person distributing such tax-paid samples to retain invoices and other documentation issued by the licensed distributor for the samples.
- Samples of other tobacco products can be lawfully distributed within Arizona, provided that an Arizona licensed distributor first receives the samples and timely reports and remits payment of applicable state tobacco taxes on them. The Department advises any person distributing such tax-paid samples to retain invoices and other documentation issued by the licensed distributor for the samples.

If you have any questions regarding this notice, please feel free to contact the Luxury Tax Unit at (602) 716-7808.