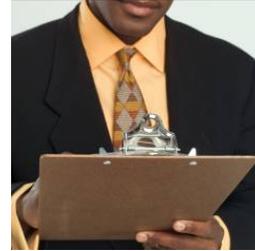


Citations

If violations of the cigarette and tobacco tax laws are found during an inspection, a citation may be issued by the inspector.



If violations of the cigarette and tobacco tax laws are identified during an inspection, a citation may be issued by the inspector. A citation is a notice of a violation of the law.

What is a citation?

- A citation is a “civil” or a “criminal” notice for violations of the law.
- Citations may be issued for violation of the:
 - Cigarette and Tobacco Licensing Act
 - California Cigarette and Tobacco Tax Laws
 - Sales and Use Tax Laws



Citations may be issued for violations of the Cigarette and Tobacco Licensing Act, the California Cigarette and Tobacco Tax Law, or Sales and Use Tax Laws. Inspectors may issue either a civil citation or a criminal citation.

Civil Citation Form

BOE-98 REV. 1 (11-05) CIVIL CITATION		STATE OF CALIFORNIA BOARD OF EQUALIZATION	
		No. 04179	
DATE ISSUED / /	TIME <input type="checkbox"/> AM <input type="checkbox"/> PM	DAY OF WEEK S M T W Th F S	BOE-99 ATTACHED <input type="checkbox"/> YES <input type="checkbox"/> NO Serial No.
BUSINESS INFORMATION			
CA SELLER'S PERMIT NO.		CIGARETTE/TOBACCO SELLER'S LICENSE NO.	
PRINT NAME (first, middle, last)		TITLE	
DRIVER LICENSE NO./STATE		RESIDENCE TELEPHONE NO. ()	
RESIDENTIAL OR BUSINESS ADDRESS (street, city, state, zip code)			
MAILING ADDRESS (if different from above)		CITY	STATE ZIP
BUSINESS NAME (DBA)		BUSINESS TELEPHONE NO. ()	
VIOLATION INFORMATION			
CODE AND SECTION		DESCRIPTION	
PROPERTY SEIZED			
LOCATION OF VIOLATION(S) (street, city, zip)		COUNTY OF OCCURRENCE	
<p>You will receive a notice in the mail regarding this citation from the Board of Equalization that will provide information about any restrictions or fines, if applicable, and your appeal rights. Contact information will be provided in the notice should you have any questions.</p>			
<p>Without admitting guilt, signature acknowledges receipt of this citation.</p>			
OWNER SIGNATURE (or authorized representative)		DATE	
CITATION ISSUED BY (serial)		TITLE	
SIGNATURE OF ISSUER		DATE	
Type of Service <input type="checkbox"/> Personal <input type="checkbox"/> Substitute <input type="checkbox"/> Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Registered Mail			
COMMENTS:			
Original - Excise Taxes and Fees Division Pink - Investigations Division Yellow - Business Owner			

A Civil Citation is handled by the Board's Excise Taxes Division. A Criminal Citation, also referred to as a Notice to Appear, is a criminal misdemeanor citation and will be forwarded to the local District Attorney's Office. If you receive a criminal citation, the citation will include the date, time, and place where you are required to appear in court. The criminal citation you receive from the inspector may be your only notice for court appearance; the court may or may not send you a separate notice before your scheduled court date.

Top Three Violations Cited in FY 2008-09

- Purchase invoices for 1 year not available at retail location.
- Sale or possession of untaxed tobacco products.
- Sale or possession of unstamped cigarettes.



The top three violations cited in 2008-2009 were for

- lack of 12 months of “valid” purchase invoices at the business location,
- sale or possession of untaxed tobacco products, and
- sale or possession of unstamped cigarettes.

How can violations be avoided?

- Make sure your cigarette/tobacco license is displayed.
- Keep 12 months of valid purchase invoices on the premises. Invoices should show excise taxes paid.
- Buy from licensed distributors/wholesalers.
- Sell only cigarettes and roll-your-own tobacco products that are listed on the California Tobacco Directory.

MUST BE DISPLAYED CONSPICUOUSLY AT LOCATION ADDRESS FOR WHICH ISSUED

CALIFORNIA STATE BOARD OF EQUALIZATION

**CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003
RETAILER'S LICENSE**

LICENSE NUMBER: _____

BUSINESS MAILING ADDRESS: _____

EFFECTIVE DATE: _____

LOCATION ADDRESS: _____

THIS LICENSE HAS BEEN ISSUED TO YOU UNDER SECTION 40000 OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE.

NOT VALID AT ANY OTHER LOCATION ADDRESS.

BE HEREBY AUTHORIZED TO ENGAGE IN THE SALE OF CIGARETTES AND TOBACCO PRODUCTS.

THIS LICENSE IS VALID FOR THE EFFECTIVE DATE OR UNTIL SUSPENDED, REVOKED, OR CANCELLED, AND IS NOT TRANSFERABLE. FOR GENERAL TAX INFORMATION PLEASE CONTACT THE TAXPAYER RIGHTS ADVISORY CENTER AT 916-324-2700. FOR INFORMATION ON YOUR RIGHTS, CONTACT THE TAXPAYER RIGHTS ADVISORY OFFICE AT 916-324-2700 OR 1-800-454-ARVY 2 2 05.

A MESSAGE TO OUR LICENSE HOLDER

As a retailer, you have certain rights and responsibilities under the Cigarette and Tobacco Products Licensing Act of 2003. In order to assist you in your endeavor and to better understand the law, we offer the following informational sources:

- The Cigarette and Tobacco Products Licensing Act of 2003 found under Division 8 (commencing with section 22970) of the California Statutes, and the related code.
- Our website at www.sbe.ca.gov.
- Our toll-free Inquiries Center at 800-400-3115.

As a retailer, you are required to maintain the original books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a board representative when requested. In addition, you must keep the records on file at the location identified on your license for at least one year after the date of purchase. Specific requirements are set forth in the Cigarette and Tobacco Products Licensing Act of 2003.

You must notify us if you are buying, selling, adding a location, or reorganizing your business, adding or changing a partner, officer, or member, or adding any and moving any of all of your business locations. This license is valid only for the type of ownership and location specified on the license. A person who obtains a license as a retailer who crosses to do business, or who ceases commercial business, or whose license has been suspended or revoked, shall also notify the Board immediately by writing to the State Board of Equalization, Excise Taxes Division, P.O. Box 942978, Sacramento, CA 95829-0508 in order to make arrangements to surrender the license, or by giving the license to a board representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the Board, please contact the Taxpayer Rights Advisory office by calling 916-324-2700 or 916-324-2700. Their fax number is 916-324-3373.

License must be displayed at location address for which issued and must be visible to your customers.

STATE BOARD OF EQUALIZATION
Excise Taxes Division

The most common violation can be avoided by keeping 12 months of valid purchase invoices on the premises. The purchase invoices validate that excise taxes have been paid on the tobacco products and substantiates purchases have been made from a licensed person. Keep your active valid license posted and routinely check your cigarette and roll-your-own tobacco inventory against the California Tobacco Directory to avoid some of the other most commonly cited violations.

What happens when a citation is issued?

- The BOE inspector will fully explain why the citation is issued and the specific section(s) of law violated.
- Civil citations are handled by the BOE Excise Taxes Division.
- Criminal citations are processed through the Courts.
- The inspector will explain the citation process to you, including your right to appeal.



In the event you are issued a citation, the inspector will explain why you were issued the citation and the section of the law that was violated. You will be asked to sign the citation. Please note that your signature on the citation is not an admission of guilt, only an acknowledgment that a copy of the citation was given to you. As previously mentioned, civil citations are handled by the Board's Excise Taxes Division and criminal citations are processed through the courts.

Penalties and Fines

Depending on the violations cited, penalties may include but are not limited to:

- A Warning Notice.
- Suspension or revocation of license.
- Fines up to \$50,000.
- Imprisonment not to exceed 1 year.
- Both fines and imprisonment.

The level of penalty imposed as a result of a civil or criminal citation will depend on type of violation and frequency of offense.

A citation could result in fines, penalties and restrictions on your license. Depending on the violations, penalties may include

- a warning notice,
- a suspension or revocation of your license,
- a fine of up to \$50,000 and/or imprisonment of up to 1 year.

The level of the fines, penalties and restrictions on your license will depend on the type of violation and the frequency of the offenses.

Penalties and Fines

In the case of criminal citations:

- Additional civil penalties may be assessed by the BOE in addition to penalties imposed by the court.
- These additional penalties may include suspension or revocation of the cigarette and tobacco license and possible fines.
- Civil fines assessed by the BOE will be reduced by any court fines imposed.



Fines and penalties imposed as a result of a criminal citation are assessed by the Courts. However, additional civil penalties may also be imposed by the Board of Equalization. These additional civil penalties may include added fines and suspension or revocation of your license. Civil fines assessed by the Board will be offset and reduced by any fines imposed by the Court.