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Tobacco industry's special occupation tax due July 1

The U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) today issued a reminder to the tobacco industry that the due date for the "special occupation tax" is July 1, 2020.

As noted in the [TTB release](#), in advance of the July 1 deadline, an online filing system has been launched for the special occupational tax. Individuals that have signature authority for a company and that already have a user account in the "Permits Online" system can log on at any time and select the "Special Occupational Tax" on the first screen. Those without a user account can use this time to self-register and complete the process.

Special occupation tax—overview

Manufacturers of tobacco products, manufacturers of cigarette papers and tubes, and proprietors of tobacco export warehouses must pay the special occupational tax as soon as they begin operations and then annually after that first time. The tax year for this tax begins July 1 through June 30. The full amount of the tax is due at the beginning of each tax period. The tax is pro-rated the first year if operations begin after the month of July.

The tax rate is \$1,000 per year. There is a reduced rate of \$500 for "smaller proprietors."

For more information, contact a tax professional with KPMG's Excise Tax Practice group:

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