

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

**FILED**  
10-13-16 11:06 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Cigarette Tax: Amends rules related to the purchase of cigarette tax stamps.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

AMEND: 150-323-0130

AMEND: 150-323-0150

**Statutory Authority:**

ORS 305.100, 323.170, 323.180

**Other Authority:**

**Statutes Implemented:**

323.170, 323.180

**Need for the Rule(s):**

150-323-0130: Allows cigarette distributors to purchase cigarette tax stamps using electronic type payments.

150-323-0150: Requires cigarette distributors to electronically authorize individuals to order cigarette tax stamps on the distributors' behalf and removes requirement for the department to maintain signature cards for authorized purchasers.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online at <https://www.oregonlegislature.gov/> or from the agency; and

Oregon Administrative Rules, available online at [http://sos.oregon.gov/archives/Pages/oregon\\_administrative\\_rules.aspx](http://sos.oregon.gov/archives/Pages/oregon_administrative_rules.aspx) or from the agency

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

There is no impact to state agencies and a de minimis effect on the counties and the public. These rule changes are intended to bring our stamp ordering process in line with technology and the electronic capabilities of our system and meet the needs of our distributors.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**

There are 41 licensed cigarette distributors in Oregon and approximately 24 are required to pay for cigarette tax stamps at time of purchase (non-deferred distributors) with approximately 54 stamp orders placed per month. The Department of Revenue currently retains distributor signature verification cards for each licensed distributor. To amend these rules will allow the distributors to electronically pay and electronically authorize purchases and no longer require a written signature card on file with the department.

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

There is a de minimis effect on those small businesses subject to the rules. Allowing electronic payments at the time the order is placed removes the need for a distributor to purchase a cashiers' check for each cigarette tax stamp order and send by expedited mail or deliver to a department office. Requiring distributors to electronically authorize individuals to purchase cigarette tax stamps on behalf of the distributor retains an electronic record that the distributor can reference when needed.

**c. Equipment, supplies, labor and increased administration required for compliance:**

None known

**How were small businesses involved in the development of this rule?**

We received feedback from licensed distributors after implementing our new online tax stamp ordering system.

**Administrative Rule Advisory Committee consulted?:** No

**If not, why?:**

The Department of Revenue did not use a formal Advisory Committee for these rules; however, we did seek and receive input from groups of industry representatives. No Administrative Rule Advisory Committee was consulted because the above groups were contacted and they have the interest and expertise necessary to provide adequate feedback on the proposed rules; therefore a committee is unlikely to provide further benefit.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address