

# Frequently Asked Questions

## PUFS Program

### 1. What is the PUFS Program?

The PUFS Program is a mechanism whereby individuals can notify the Florida Division of Alcoholic Beverages and Tobacco of unstamped cigarettes being sold throughout the state. The informant can receive a reward for reporting violations of the cigarette tax laws.

### 2. Why does the state want to know if unstamped cigarettes are being sold?

The stamp on a pack of cigarettes represents the taxes that have been paid to the state. It is unlawful for any person to possess, transport, sell, or offer to sell unstamped and untaxed cigarettes in Florida.

### 3. How do I know if the cigarettes have had the taxes applied to them?

Prior to being sold to retailers in the state for resale, all cigarettes must have a tax stamp applied to the package by the distributing wholesaler. This stamp shows that the taxes have been remitted to the state.

### 4. What are the stamps for?

The stamps are evidence that the excise tax and the surcharge has been collected and remitted to the state for each pack of cigarettes sold by the wholesaler to the retailer.

### 5. What do the stamps look like?

Florida has two cigarette tax stamps currently in circulation. The stamp on a pack of 20 cigarettes will be tan in color with black lettering, stating that the cigarettes are Florida tax paid cigarettes, and will have two rows of five numbers on each stamp. The stamp on a pack of 25 cigarettes will look the same, except will be violet in color with black lettering.

### 6. Is this the only legitimate Florida tax stamps?

These stamps were placed in circulation July 1, 2009. Previously stamped cigarettes may still be in the market, with the old stamps applied, until the retailers have depleted their stock. The 20 pack stamps were black lettering on yellow, and the 25 pack stamps were purple on white.

### 7. Why would I want to tell on my source of cheaper cigarettes?

Although you may be getting cheaper cigarettes, these cigarettes are untaxed, and as such, illegal. You are held liable for any untaxed cigarettes in your possession. State statutes require that anyone in possession of untaxed product be held accountable, and in addition to the fines and penalties, personally liable for the amount of tax imposed on the cigarettes.

8. If there is another state's stamp on the cigarettes, are they tax paid?

To be tax paid cigarettes in Florida, the cigarettes must have the Florida tax stamp applied to them. Without this stamp, the cigarettes are considered unstamped and untaxed in Florida.

9. If my boss purchased the unstamped cigarettes and I sell them, am I in trouble?

Anyone who aids in the possessing, removing, depositing, or concealing of unstamped cigarettes is presumed to have knowledge that they have not been taxed and commits a felony of the third degree.

10. If I buy cigarettes from another state, do they have to have the Florida tax stamp on them?

An individual can purchase cigarettes from another state without the Florida tax stamp on them through two methods, but one is untaxed and the other is taxed.

Florida law allows any person to purchase up to 3 cartons of cigarettes outside the state in accordance with the laws of the place where purchased and bring them into this state, without the Florida taxes being applied. The cigarettes must be personally brought into the state by you.

Florida law allows any person to buy cigarettes through direct mail services from outside the state without the stamp being on the cigarettes, but the taxes on these cigarettes do apply. If the direct sales company you purchase your cigarettes from does not charge you the taxes and remit them to the state, you are responsible for doing so.

11. What number do I call to report unstamped cigarettes?

The number to call to report unstamped cigarettes is 1-866-540-PUFS, or 1-866-540-7837.

12. How much is the reward?

The person that provides the information leading to the determination that a violation has occurred will be paid a reward up to 50 percent of the fine levied and paid.

13. What is the fine for possession or selling of unstamped cigarettes?

The fine can be anywhere from \$1,000 up to five times the retail value of the cigarettes involved, whichever is greater. In addition, other penalties can apply.

The violations for possession or selling unstamped cigarettes range from a misdemeanor of the first degree to a felony of the third degree, which can be a penalty of imprisonment up to 5 years. In addition to this, whoever fails to pay taxes when imposed will be liable for a penalty of five times the unpaid tax due.

14. How long does it take to receive my reward?

Once the Division of Alcoholic Beverages and Tobacco receives the information, we will investigate the reported violation. If the division finds a violation of the law, a case will be brought against the licensee where the violation occurs. After the case goes through the administrative process and a fine is charged and collected, the informant will receive the reward. Each case runs its own course, and there is no determined timeframe for payment of a reward for information leading to the case.

15. Can I remain anonymous?

The division will not release your identity as an ordinary procedure. However, all documents received or processed by the division are considered public records and as such are subject to disclosure upon receipt of a written public records request.

16. Will I have to testify in court?

The division will investigate any information received through the PUFS program. Within that investigation, any and all information you supply will be verified by our agents and auditors, and they will be responsible for testifying to their findings in court. It is not normal for a complainant to testify in one of our tax cases.