

Iowa Department of Revenue
Retailer Cigarette/Tobacco Permit FAQs

How do I get a retail permit to sell tobacco cigarettes and other tobacco products?

Complete form 70-014 and take the completed application to your city clerk, if the selling location is within city limits, or the county auditor, if the selling location is outside city limits. All items on the form must be completed.

Is a retail permit required if I sell e-cigarettes or vapor products?

Yes.

What retailers are required to have a permit?

Any person selling cigarettes, tobacco products, vapor products, or alternative nicotine products must have a valid retail permit. Whether selling one type of product or a combination of products, only one permit is required.

What happens if I operate my business without a permit?

There are escalating penalties starting at \$200 for operating without a permit.

How much does it cost for a permit?

The price depends on the location of the business and the month issued.

Location	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
• Outside of city limits	\$50.00	\$37.50	\$25.00	\$12.50
• City of less than 15,000	\$75.00	\$56.25	\$37.50	\$18.75
• City of 15,000 or more	\$100.00	\$75.00	\$50.00	\$25.00

When does my permit expire?

The permit expires each year on June 30.

If I no longer sell products required for this permit, can I get a refund on the fees?

Yes. See Iowa Code 453A.13 (4) for information: <https://www.legis.iowa.gov/docs/code/453A.13.pdf>.

If ownership changes, can the permit be transferred to the new owner?

No.

If I move to a new location, is there a charge for a new permit?

Yes. If the location is in a different jurisdiction, the old permit is surrendered and a new application and fee must be submitted to the new jurisdiction. If the new location is within the same jurisdiction, the permit is exchanged for a new permit at no charge.

Where can I buy cigarette and tobacco products?

Cigarettes or tobacco products may only be purchased from an Iowa Cigarette and/or Tobacco Distributor. For a listing of Iowa cigarette and tobacco distributors, see <https://tax.iowa.gov/report/Current-Reports?combine=Cigarette>.

Can I buy tobacco products from someone who is not on the listing?

Only if you become an Iowa Tobacco Distributor and file monthly returns paying the Iowa tax due.

How do I know if the Iowa tax has been paid?

Cigarettes will have an Iowa Cigarette Tax Stamp on the bottom of the pack. Your tobacco invoice should indicate the Iowa tobacco tax is included.

Do I add the cigarette and tobacco tax to my price for the consumer?

No. The cigarette and tobacco tax is already added to your cost of the product. However sales tax must be added to the sales price.

Is there a minimum price I must charge customers for cigarettes?

Yes. For a listing of the current minimum price, see Form 71-023 or: <https://tax.iowa.gov/form-types/cigarette-and-tobacco-tax?combine=Minimum>

What happens if I sell cigarettes below the Iowa Legal Minimum Price?

You can be charged an escalating penalty starting at \$200 for the first offense.

How do I figure my mark up on cigarettes?

A 4% mark up for the Iowa Distributor and an 8% mark up for the Iowa Retailer is already figured into the minimum price formula and shown on the minimum price listing. You may sell cigarettes at a price that is higher than the minimum.

Can I sell any brand of cigarettes?

No. Only approved brands can be sold in Iowa. For a listing of the approved products, see: (<https://tax.iowa.gov/report/Current-Reports>).

If I have a Hookah Café, is a retail permit required?

Yes and you must become an Iowa Tobacco Distributor and file monthly returns paying the Iowa tax due, if you are purchasing Shisha Tobacco without Iowa Tax. You must also register and remit Iowa Sales Tax.

Is there an age restriction for my employees who sell cigarettes or tobacco products?

No.

Can I sell cigarettes or tobacco products from a vending machine?

Cigarettes or tobacco products can be sold from a vending machine if no one younger than 18 is present or permitted within the location at any time. If anyone under 18 can be present, the permit type must be changed to over-the-counter sales. In addition, no permit can be issued if other nontobacco products (other than matches) are sold from the same vending machine. The retailer will also need a Cigarette Vendors Permit. This permit is issued from the Iowa Department of Revenue and form 70-015 must be completed.

Can I buy or sell cigarettes online?

No. Cigarette and tobacco sales must be in person to insure the customer is 18 or older.

What happens if I am found to have unstamped cigarettes or untaxed tobacco products?

The location is subject to seizure of the non-Iowa stamped cigarettes or untaxed tobacco products. Iowa tax and a civil penalty starting at \$200 will be assessed.

Can I sell other retailers cigarettes?

Yes, as long as you charge the full minimum price and charge the sales tax. The sales tax exemption does not apply for cigarettes. If they want to buy cigarettes without the sales tax, they need to buy them from an Iowa Distributor or Wholesaler.

Can I become an Iowa Cigarette Wholesaler?

Yes. Form 70-015 must be completed annually. If you are a retailer and a wholesaler you must keep your wholesale stock separate from your retail stock.

How can I stay up-to-date on changes to the Iowa Minimum Price List or the Iowa Approved Brands Directory?

Sign up for eList notifications from our link "Subscribe to eMail News" located at the bottom of the page at <https://tax.iowa.gov/>

Who can I contact for help and answers to general questions on the permit?

You can contact the Cigarette and Tobacco section at: IDRCigarette@iowa.gov or telephone (515) 281-6134.

Who can I contact for help if my retail location sold cigarettes or tobacco products to a minor?

Start with your city clerk's office or the county auditor's office. You can also contact the Attorney General's Office at (515) 281-8480.

Who do I contact for Federal Tobacco Tax Questions?

Tobacco Tax Bureau – this is a link to Federal Tobacco Questions and Answers:

<http://www.ttb.gov/tobacco/index.shtml>