

IMPORTANT INFORMATION

The OTP-1 Return is **required** to be filed monthly. If no activity occurred, input zeros in all appropriate spaces on the return and mail to the address reflected on the voucher.

If you file and pay your OTP-1 return via the Arkansas Taxpayer Access Point (ATAP), no further action is required. If you pay the tax via ATAP or any other electronic means and do not file the return electronically, mail your return by the due date. Please note the payment voucher on the return should only be used if you make the return payment by check.

TOBACCO DEFINITIONS

- A) Smoking Tobacco** is a form of loose tobacco that is smoked/inhaled via papers/tubes or smoking devices (e.g. cigarette, hookah, pipe tobacco).
- B) Moist Snuff** is a form of smokeless tobacco that is sometimes referred to as snuff. Moist tobacco is typically finely ground and sold in (round) tins, either in loose form or in small pre-packaged quantities (e.g. moist tobacco, snus, wet snuff).
- C) Cigar** means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (e.g. little cigars, cigarillos, cigars) with an invoice price* (before discounts) less than \$0.7576 per cigar.
- D) Other Tobacco** means tobacco products that are not specifically smoking, moist snuff, or cigar products (e.g. chewing tobacco, plug tobacco, twist tobacco, cigar wraps, blunt wraps, dry snuff).
- E) Premium Cigar** means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (e.g. little cigars, cigarillos, cigars) with an invoice price* (before discounts) equal to or greater than \$0.7576 per cigar.

***"Invoice price"** means the price that a wholesaler or retailer of tobacco products pays to a manufacturer, importer, or distributor for tobacco products that the wholesaler or retailer subsequently sells in the state.

INSTRUCTIONS

Column A: Enter the total cost of each tobacco type sold on lines 1 through 5a. Enter the total number of Premium Cigars sold on line 5b.

Column B: Enter the total deductions for each tobacco type on lines 1 through 5 of Column B.

Deductions include but are not limited to:

- a)** Returns to manufacturers (only those products for which tax has been previously paid)
- b)** Products sold through interstate sales
- c)** Products sold to Federal institutions
- d)** Products sold that should not be subject to tax.

Column C: Subtract the amounts on Lines 1 through 5 of Column B from the amounts on Lines 1 through 5 of Column A.

Column D: Multiply the amounts on Lines 1 through 5 of Column C by the appropriate tax rate.

Column E: If the OTP-1 return and Net Tax Due payment are filed on or before the due date, multiply the gross tax due in Column D by the appropriate discount rate and enter the results.

Column F: Subtract the amounts on Lines 1 through 5 of Column E from the amounts on Line 1 through 5 of Column D.