State of Illinois Affidavit of Nonparticipating Manufacturer Regarding Quarterly Escrow Payment

Please Review Instructions Prior to Completion.

Part 1: Liability Reporting Period

The liability period for this affidavit is: (check one)

2004

☐ **Jan.-Mar.** Due Apr. 30
☐ **Jul.-Sep.** Due Oct. 31
☐ **Apr.-Jun.** Due Jul. 31
☐ **Oct.-Dec.** Due Jan. 31

Type of affidavit: (check one) ☐ **Original** ☐ **Amended**

Part 2: Manufacturer Identification

Company Name			FEIN
Mailing Address			
City	State	Zip Code	Country
Phone	Fax	Web Address	
Name and title of person completing this form			

Part 3: Brand Sales (Attach Brands Addendum pages as necessary)

Brand Family	Check One	Report Units Sold in **Sticks** for Cigarettes or in **Ounces** for RYO	
		Sticks Sold for this period	**Ounces Sold** for this period
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
	☐ Cigarette ☐ RYO		
Total of RYO Ounces			
Total of Cigarette Sticks			

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Part 4: Certification of Escrow Account and Agreement

The NPM certifies that it has established, and continues to maintain, a fully funded, qualified escrow account, pursuant to Section 15 of the Escrow Act.

Name of Financial Institution (Escrow Agent)		
Mailing Address		
City	State	Zip Code
Phone	Fax	
Contact Person	Contact E-Mail	
Escrow Account Number	Total amount held in this account for the State of Illinois $	
Illinois Sub-Account Number		

Part 5: Worksheet for Cigarettes Sold During Liability Reporting Period

Total of RYO Ounces from Part 3	
RYO Stick Calculation (Divide RYO Ounces by .09)	
Total of Cigarette Sticks from Part 3	
Total NPM Sales (Add RYO Stick Calculation to Total of Cigarette Sticks)	

Refer to Worksheet at left to calculate the number of individual cigarettes bearing Illinois cigarette tax stamps, including roll-your-own tobacco (.09 ounces = 1 cigarette), which were manufactured by this manufacturer and sold in Illinois during this reporting period.

Liability Year Worksheet is for:

☐ **2004** ☐ Other: _____

Please convert pounds to ounces before using this worksheet. (Multiply by 16.)

Part 6: Deposit Amount

Use the rates listed below to figure the appropriate deposit amount.

For the liability year 2003 through 2006, the rate per cigarette is . . . . . **.0167539**
Contact the Tobacco Unit for rates for previous years.

1	Enter the appropriate rate for the reporting period.	**1**	
2	Multiply Line 1 by Total NPM Sales (Part 5) and write the amount.	**2**	
3	Multiply Line 2 by the inflation adjustment percentage and write the amount.	**3**	
	For the 2004 liability year, use a preliminary inflation adjustment percentage of 16.3627565 percent (multiplier of .163627565), based upon the 2003 inflation adjustment.		
4	Enter the total amount to be paid into the escrow account for this period by the manufacturer identified in Part 2 (the total of Lines 2 and 3).	**4**	**$**
5	Enter the total amount actually paid into the escrow account for this period.	**5**	**$**
6	Amount over/under-paid (Difference between Line 4 and Line 5.) **Provide explanation if not zero.**	**6**	**$**

Note: ***Attach a copy of your receipt or other proof of deposit from your financial institution.***

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Part 7: Designated Contact

Name			
Mailing Address			
City	State	Zip Code	Country
Phone	Fax	E-Mail	

Part 8: Manufacturer Certification

Under penalties of perjury, I state that, to the best of my knowledge, all of the information contained in this Affidavit and any attached documents are true and accurate. ***This document must be signed and dated by an authorized notary public.***

NPM Authorized Designee (Print Name) _____ Title _____

Signature of NPM Authorized Designee _____ Date _____

Subscribed and sworn to before me this date: _____

Signature of Notary Public _____

County _____ Commission Expires _____

Checklist of required documents

- ☐ **NPM-Q** Affidavit of Non-Participating Manufacturer Regarding Quarterly Escrow Payment
- ☐ **Proof of Deposit** for Part 6
- ☐ Any Brands Addendum pages for Part 3 Brand Sales

Mail to

Submit the completed Affidavit and required documentation to the Tobacco Enforcement Unit at this address:

Illinois Attorney General
Tobacco Enforcement Unit
500 South Second Street
Springfield IL 62706

For Additional Forms and Information

Phone (217) 785-8541
Fax (217) 524-4701
www.ag.state.il.us (Click on Tobacco.)

Instructions for Affidavit of Nonparticipating Manufacturer Regarding Quarterly Escrow Payment

NPM-Q
Instructions

General Information

What is the definition of a cigarette manufacturer?

A cigarette manufacturer is defined as

- any entity that manufactures cigarettes, including roll-your-own, anywhere that such manufacturer intends to be sold in the United States, including cigarettes that are intended to be sold in the United States through an importer;
- the first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
- a successor of any entity described above.

What is a Non-Participating Manufacturer?

A Non-Participating Manufacturer (NPM) is any cigarette (including RYO) manufacturer who has not signed on to the tobacco Master Settlement Agreement (MSA).

Who must file this affidavit?

Certain NPMs may be required by the Attorney General to make quarterly installment payments:

- for first four quarters after they are added to the Directory
- if they have a history of not complying with the Escrow Act
- if they have a history of under-funding the qualified escrow account
- if they fail to make timely escrow payments or fail to pay judgments or penalties
- if the Attorney General believes they may not be able to make the annual deposit
- if more than 2,000,000 cigarettes are sold during a calendar quarter

Notice of determination to pay quarterly

The Attorney General will provide the NPM with notice that it must make quarterly installment payments. The notice will include:

- basis for determination
- date first quarterly payment is due which must be more than 30 days after the date of the notice
- copy of State of Illinois Affidavit of Nonparticipating Manufacturer Regarding Quarterly Escrow Payment
- that the NPM may request review of the Attorney General's determination

The Attorney General will notify the NPM when it can cease making quarterly payments.

Reconciliation affidavit

A manufacturer who has made one or more quarterly payments for a liability year must make a final reconciliation payment and provide proof of deposit on or before April 15 of the year following the liability year. The reconciliation payment will include any sales which were not included on quarterly affidavits for the liability year. It will also include the final inflation adjustment for the liability year.

What is a qualified escrow fund?

An escrow arrangement with a U.S. federal or U.S. state chartered financial institution having no affiliation with any Tobacco Product Manufacturer and having assets of at least one billion dollars ($1,000,000,000) where such arrangement requires that the financial institution hold the escrowed funds' principal for the benefit of Releasing Parties and prohibits the Tobacco Product Manufacturer placing the funds into escrow from using, accessing or directing the use of the funds' principal except as consistent with the applicable NPM Statutes.

All funds shall be held by the Escrow Agent in sub-accounts separate and apart from all other funds and sub-accounts of each Beneficiary State, the Escrow Agent, and the Company.

When is this affidavit due?

This affidavit must be filed quarterly, on or before the last day of the month following the close of the quarter (e.g., January 31, April 30, July 31, October 31).

When must I make my escrow payment?

You must deposit all escrow payments into your qualified escrow fund on or before the last day of the month following the close of the quarter. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution and this affidavit.

What if I discover product which was not reported?

Simply file an amended affidavit for the period in question.

Where do I send my completed Affidavit?

Mail this completed Affidavit (NPM-Q) and proof of escrow deposit to:

Office of the Illinois Attorney General
Tobacco Enforcement Unit
500 South Second Street
Springfield, IL 62706

For Additional Forms and Information

Phone (217) 785-8541
Fax (217) 524-4701
www.ag.state.il.us (Click on Tobacco.)

Instructions for Affidavit of Nonparticipating Manufacturer Regarding Quarterly Escrow Payment

NPM-Q
Instructions

Specific Instructions

Part 1: Liability Reporting Period

- Check the appropriate liability period.
- Check whether this is an original or amended affidavit.

Part 2: Manufacturer Identification

Provide your company name, address, phone, fax , web address, FEIN, and name and title of person completing the form.

Part 3: Brand Sales

- Brand Family: Provide the brand name, which could include many brand styles (menthol, 100's, etc.). **Do not list each style in Part 3.**
- Identify each Brand Family of all cigarettes that the company sold in Illinois during this period, either directly or indirectly through any distributor, retailer or similar intermediary.
- Check whether the product is cigarette or RYO.
- Where a brand is offered as both cigarettes and RYO, make a separate entry for each.
- Units sold: List the total RYO ounces and total cigarette sticks separately.
- A Brands Addendum page is included with the affidavit packet. Where addendum pages are used, the total of units sold should be entered on the final addendum page.

Part 4: Certification of Escrow Account and Agreement

- Identify the name, address, phone and fax number for the financial institution (escrow agent) where the NPM has established a qualified Escrow Fund pursuant to the Tobacco Products Manufacturers' Escrow Enforcement Act of 2003.
- Provide the name and e-mail address for a contact person at the financial institution.
- Escrow Account Number: Provide the account number for the main escrow account, if one exists.
- Illinois Sub-Account Number: Provide the account number for the Illinois sub-account to which a deposit or deposits have been made for the liability reporting period identified in Part 5.
- Total amount held in this account for the State of Illinois: Amount held in the Illinois sub-account identified (in this part) as of the date of certification.

Part 5: Worksheet for Cigarettes Sold During Liability Reporting Period

Use the instructions in the worksheet to convert RYO product to sticks and combine it with the cigarette stick count for the liability reporting period. The result of this calculation will be used to determine the deposit amount in Part 6.

Part 6: Deposit Amount

- Use Lines 1 through 4 to calculate the total amount to be paid into escrow for the liability reporting period based upon sales calculations in Part 5.
- The amount listed on Line 5 should include the total of any payments which have been made for the liability reporting period.
- The amount listed on Line 6 is the difference, if any, between the amounts listed on Line 4 and Line 5.
- Attach proof of deposit(s) from your financial institution. Proof must include the account number of the Illinois sub-account, the date of deposit, and the amount of deposit. Such proof can be submitted as a letter from the bank.
- Provide an explanation for any discrepancy between the amounts listed on Lines 4 and 5.

Part 7: Designated Contact

Provide the name, address, phone and fax numbers, and e-mail address for the individual the Attorney General should contact with respect to matters relating to this affidavit.

Part 8: Manufacturer Certification

The authorized designee executing the affidavit must be an officer, principal, director or other authorized representative of the manufacturer. The authorized designee's name and title must be legibly printed and **the signature must be notarized.**

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