

MARYLAND
FORM
643

CIGARETTE WHOLESALE
COST OF DOING BUSINESS

For Calendar Year _____ or Tax Year Beginning _____, Ending _____ (Must Match Federal Return)

Name		License Number	
Address			
City		State	Zip code +4
Email		Phone	

Line	Item Description	A Cigarette	B Other	C Total	Federal Return Line No.		
					1120	1120S	1065
1	Total Income				11	6	8
2	Cost of Goods Sold				2	2	2
3	Excluded Costs						
4	Adjusted Cost of Goods Sold (Line 2 adjusted by Line 3)						
5	Compensation of Officers				12	7	10
6	Salaries and Wages				13	8	9
7	Repairs				14	9	11
8	Bad Debts				15	10	12
9	Rents				16	11	13
10	Taxes				17	12	14
11	Interest				18	13	15
12	Charitable Contributions				19		
13	Depreciation				21b	14c	16c
14	Depletion				22	15	17
15	Advertising				23	16	
16	Pension, Profit-Sharing, Etc., Plans				24	17	18
17	Employee Benefits Programs				25	18	19
18	Other Deductions				26	19	20
19	Total Cost (Add Line 5 through Line 18)				27	20	21
20	Percentage - Total Cost of Doing Business to Cost of Goods Sold (Line 19 divided by Line 4)	0.00%	0.00%				
		E Amount of Expense		F Provide Federal Return Line No. where this expense appears on your Federal Return.			
21	Labor (Including salaries of executives and officers)						
22	Rent						
23	Depreciation						
24	Selling Costs						
25	Maintenance of Equipment						
26	Delivery Costs						
27	Interest Payable						
28	Licenses, Taxes, Insurance, and Advertising						
29	All Other Direct and Indirect Costs						
30	Total Cost of Doing Business in Cigarettes. Add Line 21 through Line 29. (Result must equal Line 19, Col. A)						

MARYLAND FORM 643 CIGARETTE WHOLESALE COST OF DOING BUSINESS

Applications for lower cost of doing business filed in other jurisdictions:

A. Has the licensee applied for approval for a lower cost of doing business in any of the following jurisdictions during the 12 months immediately preceding this application?

State	Yes	No	If yes, percentage of approval	Effective Date
Delaware	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
New Jersey	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
New York	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Pennsylvania	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____

B. If **Yes** is checked for any state, a copy of that state’s complete submission and letter of approval or disapproval must be attached to this form.

To be signed by corporate officer, owner, or partner:

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing document are true and correct to the best of my knowledge, information, and belief, and is in conformance with Commercial Law, Title 11, of the Annotated Code of Maryland.

_____	_____
Name	Title
_____	_____
Signature	Date

Statement of Certified Public Accountant:

I have reviewed this entity’s Federal Tax Return and the information provided in this application, and believe the line items reasonably reflect, in all material respects, the wholesaler’s cost of doing business in cigarettes, as evidenced by the accounting standards and methods regularly employed by the wholesaler in determining costs for purposes of federal income tax reporting for the entity’s total business operation.

_____	_____
Name of CPA Signature	Signature
_____	_____
Accounting Firm Represented	Phone Number

Address	

Release to be executed by the owner, partner, or responsible corporate officer:

I hereby authorize the Alcohol and Tobacco Commission and its assignees to obtain copies of any documents or data in the possession of any federal, state, or local agency concerning the applicant’s request to sell cigarettes at a lower cost of doing business.

_____	_____
Name	Title
_____	_____
Signature	Date

**MARYLAND
FORM
643** **CIGARETTE WHOLESALE
COST OF DOING BUSINESS
INSTRUCTIONS**

Who may file Form COM/ATT-643?

A wholesaler who wishes to be approved for a lower cost of doing business shall submit an application to the Alcohol and Tobacco Commission on this Form.

When should Form COM/ATT-643 be filed?

If a wholesaler is not currently approved for a lesser cost, this form must be filed 60 days before the desired effective date. If currently approved, for a lesser cost, this form must be filed not later than April 1 annually to be effective with the license year beginning May 1, and other times as may be requested by the Executive Director.

General Instructions:

For all expenses shown on Lines 1, 2, and 5 through 19, enter the cigarette portion of the expense in Column A, the remaining portion in Column B, and the total amount shown on your Federal Tax Return in Column C. Line 3 and Line 4 will only apply to Cigarettes.

Specific Instructions:

Line

- 1 Enter the Total Income as reported on your Federal Tax Return.
- 2 Enter the Cost of Goods Sold as reported on your Federal Tax Return.
- 3 In Column A, enter excluded discounts such as Manufacturers' Rebates and Trade Loader Gains. The cost of cigarettes should be adjusted to include only the following discounts in arriving at the basic cost of cigarettes - Manufacturers' Incentive Program, Electronic Fund Transfer Discounts, and Tax Stamp Discounts. Manufacturers' Rebate Programs and Trade Loader Gains cannot be taken into account in arriving at the cost of cigarettes.
- 4 In Column A, enter adjusted cost of goods sold for cigarettes.
- 5-18 Enter each line item as shown on the appropriate line of your Federal Tax Return and broken down as explained in the General Instructions.
- 19 Add Line 5 through Line 18 and enter the total.
- 20 Divide Line 19 total by Line 4 total. Round the resulting percentage at 2 decimal places.
- 21-29 Identify the amount of the expense that falls under each of the allocations listed in Regulation 03.02.03.07 A(4), and provided on Line 5 through 18. Line No. entered in Column F is from Federal Return.
- 30 Add Line 21 through Line 29. The total on Line 30, Column E must equal the total on Line 19, Column A.

The following documentation is required to be submitted with this form:

All applicants must submit written advice, along with any supporting worksheets or documentation, of the criteria and methodology used to determine the portion of your company's total expense that has been identified as "Cigarette" expense.

A Corporation should submit a copy of its most recently filed Form 1120, U.S. Corporation Income Tax Return along with its associated schedules.

A Partnership should submit a copy of its most recently filed Form 1065, U.S. Partnership Return of Income along with its associated schedules.

A Sole Proprietorship should submit a copy of its most recently filed Form 1040, U.S. Individual Income Tax Return along with Form 1040 - Schedule C - Profit or Loss From Business.

Contact information

**Maryland Alcohol, Tobacco,
and Cannabis Commission**

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