

# Certificate of Compliance by Non-Participating Manufacturer Regarding Escrow Payment

## Part 1 – Manufacturer’s Identification

State of Wisconsin

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: (        ) \_\_\_\_\_ FAX: (        ) \_\_\_\_\_

## Part 2 – Sales Year

\_\_\_\_\_ Enter the Year of Sales for this Certificate of Compliance *(Complete a separate certificate for each year of sales.)*

## Part 3 – Units Sold

Enter number of individual cigarettes (units) . . . \_\_\_\_\_ *(See instructions for details.)*  
Enter number of “roll-your-own” tobacco (units)  
(0.09 oz. equals 1 cigarette/unit) . . . . . \_\_\_\_\_  
Total Units Sold in Wisconsin . . . . . \_\_\_\_\_  
The total units sold in Wisconsin by the manufacturer identified above were during the sales year \_\_\_\_\_  
Enter Cigarette Brands: \_\_\_\_\_  
Enter Roll-Your-Own Brands: \_\_\_\_\_  
Attach a sales report labeled as Exhibit \_\_\_\_\_ which verifies the units sold as entered above. The report must include the following information: name and address of the seller/shipper; name and address of the purchaser/receiver; brand name; product (i.e. cigarette or roll-your-own tobacco (RYO)); subtotal of cigarette units by brand, and ounces/units of roll-your-own tobacco by brand, and total units of cigarettes and roll-your-own tobacco.

## Part 4 – Escrow Rates and Payments

For the sales year: *(Use and adjust the rates listed below to figure the appropriate total deposit amount.)*

2000 . . . . .	The rate per unit is	0.0104712
2001-2002 . . . . .	The rate per unit is	0.0136125
2003-2006 . . . . .	The rate per unit is	0.0167539
2007 and thereafter . . . . .	The rate per unit is	0.0188482

a) The appropriate deposit **subtotal** is . . . . . \$ \_\_\_\_\_  
*(Multiply the total units in Part 3 by the appropriate rate in Part 4)*

b) The appropriate **inflation adjustment** for the sales year is . . . . . \$ \_\_\_\_\_  
*(First, multiply the greater of 3% or the CPI by the Inflation Adjustment Percentage applicable to payments due in the prior year. Then multiply the deposit subtotal by the sum of this multiplication. Refer to Exhibit C of the Tobacco Master Settlement Agreement.*

The **total amount** that has been paid into the Qualified escrow fund by the Manufacturer identified above for the sales year \_\_\_\_\_ . . . \$ \_\_\_\_\_  
*[Add deposit subtotal (4a) and the inflation adjustment amount (4b)]*

**NOTE:** For all deposits attach copies of your receipt or other proof of deposit from your financial institution and copies, if any, of amendments to your escrow agreement. For subsequent years after the initial year of sale, include a copy of the escrow fund balance statement as of March 31 each year, and any amounts paid out of the escrow fund.

**Part 5 – Financial Institution**

State of Wisconsin

Name of Institution: \_\_\_\_\_

Address: \_\_\_\_\_

Escrow Account No: \_\_\_\_\_

Total Amount Held for the State of       WISCONSIN       : \$ \_\_\_\_\_

**Part 6 – Signature**

Under penalty of perjury, I state that, to the best of my knowledge, all of the information contained in this Certificate of Compliance is true and accurate. **This certificate of compliance must also be signed and dated by an authorized notary public.**

\_\_\_\_\_

Name of Authorized Agent (*please print*) \_\_\_\_\_ Title \_\_\_\_\_

\_\_\_\_\_

Signature of Authorized Agent \_\_\_\_\_ Date \_\_\_\_\_

Subscribed and sworn to before me on this date: \_\_\_\_\_

\_\_\_\_\_

Signature of Notary Public \_\_\_\_\_ City or County (*circle one*) \_\_\_\_\_

\_\_\_\_\_

Date my Commission Expires \_\_\_\_\_

**Mail this Certificate of Compliance to:**

**Office of the Attorney General at –**

**and**

**Secretary of Revenue at –**

Tobacco NPM Enforcement Coordinator  
Wisconsin Department of Justice  
PO Box 7857  
Madison WI 53707-7857

Wisconsin Department of Revenue  
Excise Mail Stop 5-107  
PO Box 8900  
Madison WI 53708-8900

# Certificate of Compliance by Non-Participating Manufacturer Regarding Escrow Payment

## GENERAL INFORMATION

State of Wisconsin

### What is the definition of a tobacco product manufacturer?

- Any entity that manufactures cigarettes anywhere, including roll-your-own, that such manufacturer intends to be sold in the United States including cigarettes and/or roll-your-own 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, including roll-your-own, manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
- A successor of any entity described above.

### Who is required to file this certificate of compliance?

- Any tobacco product manufacturer which:
  - (1) sells cigarettes and/or roll-your-own within the state of Wisconsin (whether directly or through any distributor, retailer, or similar intermediary) and
  - (2) has not become a participating manufacturer in the tobacco Master Settlement Agreement (MSA) executed on 11/23/98.

*If you satisfy these requirements, you must file this certificate of compliance to report the units of cigarettes and/or roll-your-own manufactured by you and sold in the state of Wisconsin and pay the amount calculated into your qualified escrow fund.*

### What is a non-participating manufacturer?

A non-participating manufacturer is any tobacco product manufacturer who has not signed onto the MSA .

### What is a qualified escrow fund?

A non-participating manufacturer that is required to file this certificate of compliance must establish a qualified escrow fund. This means 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 \$1,000,000,000, where such arrangement (1) requires that the financial institution hold the escrowed funds' principal for the benefit of the State of Wisconsin (and possibly other "Releasing Parties" as defined in the MSA) and (2) prohibits the non-participating manufacturer from using, accessing, or directing the use of the funds' principal except as consistent with 995.04(1)(f).

### When is this certificate of compliance due?

This certificate of compliance is to be filed on or before April 15th of the year following the sales year.

For 2000, the sales year for tobacco products sold in **Wisconsin** is May 23, 2000 – December 31, 2000. After 2000, the sales year is a calendar year, from January 1 through December 31.

### When must I make my escrow payment?

You must deposit all escrow payments into your qualified escrow fund on or before April 15th of the year following the sales year. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution to the Office of the Attorney General of the State of Wisconsin, along with this signed and notarized certificate of compliance. In addition, after you have made your initial deposit into the qualified escrow fund, forward a copy of the escrow agreement as executed. Finally, forward any amendments to the escrow agreement. This should include the escrow fund balance as of March 31 of each year and if any payments have been made from the escrow fund and for what purpose.

## SPECIFIC INSTRUCTIONS

### Part 1 – Manufacturer's Identification

Write your name, address, telephone and fax number.

### Part 2 – Sales Year

Write the sales year.

### Part 3 – Units Sold

Write the number of individual cigarettes and the amount of "roll-your-own" tobacco [.09 ounces (oz.) constitutes one cigarette] manufactured by you and sold during the sales year in Wisconsin. This should include a listing of the cigarette and/or roll-your-own brands that have been sold into Wisconsin as detailed on your itemized sales report.

### Part 4 – Escrow Rates and Payments

Multiply the units sold by the appropriate rate for the sales year and write the result as your subtotal. Calculate the appropriate inflation adjustment according to Exhibit C of the Tobacco Master Settlement Agreement (go to [www.naag.org](http://www.naag.org)) and enter the amount. Add the subtotal and the inflation adjustment amount to arrive at the total deposit to be paid into your qualified escrow account for Wisconsin for the applicable sales year.

### Part 5 – Financial Institution

Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also write the total cumulative amount currently in your escrow account for the benefit of Wisconsin.

### Part 6 – Signature

An authorized notary public must also sign and date this Certificate of Compliance.

**Complete a certificate for each year you are required to file an escrow payment for Wisconsin. This certificate is available on the Wisconsin Department of Revenue's web site at [www.revenue.wi.gov](http://www.revenue.wi.gov) under Forms > Excise > Tobacco Master Settlement Agreement (MSA).**