

Form TT-12 Virginia Application For Tobacco Tax Credit Certificate

Virginia Department of Taxation
P.O. Box 1301
Richmond, VA 23218-1301

- Please print or type **all** information below.
- If applying for a Bad Debt Credit, also complete and attach Schedule A.

Stamping Agent Name		Permit Number		(Do Not Use This Space)
Number and Street				
City	State	ZIP Code		
Contact Person	Phone Number ()			

The above named stamping agent hereby makes application to the Virginia Department of Taxation for a tobacco tax credit certificate for the reason or reasons and in the amount stated below:

Reason	Number Of Stamps	Tax Value Each Stamp	Gross Tax Value
1. Stamps Applied on Carton Flaps			
2. Unusable Stamps on Defective Rolls			
3. Usable Stamps on Unopened Rolls			
4. Stamps On Unsalable Tobacco Products Returned to Manufacturer: Attach Cigarette Manufacturer Affidavit NOTE: You may consolidate multiple affidavits on this application.			
5. Other (Specify)			
6. Bad Debt Credit (Attach a Schedule A for each bad debt credit application.)			
7. Total (Add Lines 1 through 6.)			\$
8. Less 2% Discount:			\$
9. Net Amount of This Application For Credit Certificate (Line 7 minus Line 8.)			\$

I certify that this application is true and accurate.

Name of Stamping Agent: _____ Date: _____

By (Authorized Signature): _____ Title: _____

Schedule A Additional Information Required For Bad Debt Credit

Form TT-12

- See the reverse side for instructions.

Stamping Agent Name		Permit Number		
Contact Person		Phone Number ()		
I. Invoice Information				
a. Customer Name	b. Invoice Number	c. Invoice Amount	d. Invoice Date	e. Delivery Date
f. Number of Cigarette Cartons		g. Amount of Credit Claimed		
h. Were any partial payments received on this invoice? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please complete i and j.			i. Amount Received	j. Date Received
II. Collection Information - Must be verifiable.				
1st Collection Contact	a. Date	b. Method Of Contact <input type="checkbox"/> Phone <input type="checkbox"/> Mail	c. Results	
2nd Collection Contact	d. Date	e. Method Of Contact <input type="checkbox"/> Phone <input type="checkbox"/> Mail	f. Results	
3rd Collection Contact - "Demand for Payment" sent by Certified Mail		g. Date Sent	h. Date Certified Mail Received By Customer	
i. Sent to a Collection Agency? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please complete j through n.				j. Date Sent
k. Name of Collection Agency		l. Address of Collection Agency		
m. Dates Customer Was Contacted		n. Results		
III. Write-Off Information				
a. Date Written-Off		b. Journal Entry Number		
IV. Other Information				
a. Date of Most Recent Invoice to This Customer		b. Amount of Most Recent Invoice to This Customer		

Schedule A Additional Information Required For Bad Debt Credit Instructions

Form TT-12

- Complete Schedule A to apply for a credit for a bad debt.
- A separate Schedule A must be completed for each invoice charged-off.
- Credit is only valid for cigarette stamps.
- The following must be attached to Schedule A:
 1. Copy of unpaid invoice. Invoice must contain:
 - Customer name;
 - Customer address;
 - Customer phone;
 - Invoice number;
 - Invoice date (must be at least 75 days earlier than date of application);
 - Invoice amount;
 - Delivery date; and
 - Number of cartons of cigarettes shipped.
 2. *Copy of delivery receipt*
 3. *Copy of at least two collection letters to customer. At least one of the collection letters must be a "Demand for Payment" sent by Certified Mail at least 45 days after the date of the invoice. In lieu of the collection letters, the stamping agent may submit a copy of a judgement.*
 - "Bad debt" means the taxes attributable to any portion of a debt that is related to a sale of cigarettes that has become worthless or uncollectible in the time period between the date when taxes accrue to the department for the stamping agent's preceding tax return and the date when the taxes accrue to the department for the present return, and that is eligible to be claimed, or could be eligible to be claimed if the stamping agent kept accounts on an accrual basis, as a deduction pursuant to section 166 of the Internal Revenue Code.
- A bad debt does not include:
 - Any interest on the wholesale price of cigarettes;
 - Uncollectible amounts on property that remain in the possession of the stamping agent until the full purchase price is paid;
 - Expenses incurred in an attempt to collect any account receivable or any portion of the debt recovered;
 - Any accounts receivable that have been sold to a third party for collection; nor
 - Repossessed property.
- Any bad debt credit claimed on Form TT-12 must also be reported on Form TT-13/TT-14, Monthly Report of Cigarette Stamping Agent.
- If all or part of a bad debt with respect to which a stamping agent claimed a deduction is recovered, the stamping agent shall be liable for the amount of taxes deducted in connection with that portion of the debt for which payment is received and shall include this amount on its next Order for Virginia Cigarette Tax Stamps, (Form TT-2 line 9).
- A subsequent recovery on an invoice should be calculated as follows:
$$(\text{cigarette tax}/\text{total invoice}) \times \text{amount of invoice recovered} = \text{tax payable}$$
- A credit will only be granted for debts which have been deemed worthless or uncollectible on or after July 1, 2006.