

## (ELIGIBILITY FOR COMPENSATION UNDER MCL 205.427(3)(d))

| <i>General Description of Technology or Equipment (Upgrades)</i>  | <i>Dual-Use</i> | <i>Eligible</i>                                  |
|---|-----------------|--|
| 1. <b>Hand Stamping Machine (Digital Stamp Only):</b> <i>Manually affixes a <u>digital</u> stamp to cigarette packs where the automated digital stamping machine cannot affix the digital stamp to a particular pack of cigarettes (e.g., irregular size pack) and/or if the stamping agent does not have an automated digital stamping machine.</i>  | NO              | YES*   |
| 2. <b>Feed/Intake Conveyors or Ramps:</b> <i>Conveyors or ramps used to supplement the intake conveyor/ramp that is part of a stamping machine by moving boxes/cartons of <u>unstamped</u> cigarettes to the stamping machine <u>before</u> stamping.</i>   | YES             | NO   |
| 3. <b>Takeaway/Outtake Conveyors or Ramps:</b> <i>Conveyors or ramps used to move boxes/cartons of <u>stamped</u> cigarettes from a stamping machine to other operations.</i>   | YES             | NO   |
| 4. <b>220v Electrical Wiring, Connections and Related Installation Costs:</b> <i>220v electrical service is required to operate automated digital stamping machines.</i>  | YES             | YES*   |
| 5. <b>Fireproof Safe for Digital Stamp Storage:</b> <i>Used for securing and storing the rolls of 30,000 digital stamps used in automated digital stamping machines.</i>  | YES             | NO   |
| 6. <b>Cigarette Case Packer:</b> <i>Re-packs cigarette cartons into case boxes or totes <u>after</u> the cigarettes have been stamped.</i>  | YES             | NO   |
| 7. <b>Internet Connection and Related Network:</b> <i>A key part of a digital stamping program is the ability of a digital stamping machine (automated or hand-stamp) to communicate with the State's/Xerox's server(s) for data receipt and transmission. Any connection speed is sufficient for digital stamping so costs for increasing the speed of an existing service is not an "upgrade" compensable under this section.</i>             | NO              | YES*   |
| 8. <b>Automated Case Splitter:</b> <i>Automatically differentiates a 12M (60 carton) case from all others and diverts the correct size box into the splitting station where they are split, and each half, presented with the cut-open side up to the rest of the operation.</i>  | YES             | NO   |
| 9. <b>Other Conveyors:</b> <i>Transport boxes/cartons from one machine to another and from one location to another within the facility.</i>   | YES             | NO   |
| 10. <b>Hand Stamping Station and Equipment (Digital Stamp):</b> <i>A "station" for manually affixing digital stamps (with corresponding scann and data reporting functions) which may consist of the following: (i)UPC &amp; QR capable scanner; (ii) hand-stamping device (same as Item #1 above); (iii) key board and mouse; (iv) computer touch screen (with related software); (v) table; (vi) rolling cabinet; and (vii) storage safe.</i> | NO              | YES*<br>(i, ii, iii, iv);<br>NO<br>(v, vi, viii) |
| 11. <b>Automated Case/Box Cutting Machine:</b> <i>Cuts cigarette case boxes open (e.g., removing the box top) so cartons can be accessed or removed prior to stamping.</i>  | YES             | NO   |
| 12. <b>Air Compressor:</b> <i>Automated digital stamping machines require dry, pressurized air.</i>   | YES             | YES*   |
| 13. <b>Packing Tables (In-feed):</b> <i>May be used when unpacking cartons prior to stamping.</i>   | YES             | NO   |
| 14. <b>Angle Tables (Out-feed):</b> <i>May be used to repack cartons <u>after</u> stamps applied.</i>   | YES             | NO   |

**NOTES**

- "Dual-Use" refers to equipment/technology that can be used in both conventional (heat-applied) and digital (pressure-applied) cigarette stamping operations. Equipment or technology that is *required* by a digital stamping machine in order to operate properly is eligible for reimbursement even if included in this category.
- Technology or equipment marked with an asterisk (\*) indicates that the item will be eligible for compensation under this section *provided that* the stamping agent has *existing* related technology/equipment which is being "upgraded," the costs are directly related to the proper operation of a digital stamping machine, and the costs otherwise meet the statutory requirements.