

REDSTAMP

RELIABLE EFFICIENT DURABLE SPECIALTY MACHINES

DIGITAL CIGARETTE STAMPING

*Michigan's Senate Bill 930 /
Public Act 188 of 2012*





Michigan Senate Bill 930

Public Act 188 of 2012

Senate Bill 930 was introduced by Senator Kahn, Pappageorge, Proos And Jones. The Bill was then Signed into law by Governor Snyder on June 20, 2012; Becoming Public Act 188 of 2012.

Overview of the Law

The State of Michigan is changing its current cigarette tax stamping to a DIGITAL TAX STAMPING System.

- Digital Stamps are smarter and must contain a unique non-repeating code that can be read by a device which identifies the taxed product. It will also contain other security and enforcement features as determined by the department.
- Currently stamps are applied by heat transfer machines. However, Digital Tax Stamps are “pressure sensitive” which requires a different machine to apply and track the stamps.

This Law outlined in Senate Bill 930 includes provisions to reimburse you for the cost of transitioning to this new Digital format.

- The Bill includes two separate programs for eligible Stamping Agent to help offset the impact of the transition. Eligible stamping agents can receive reimbursements for:
 1. The direct cost actually incurred for the eligible equipment necessary to affix the digital stamps to the packs.
 2. The cost of certain upgrades to technology and equipment required to facilitate the change will be reimbursed by the State.
- Eligible Stamping Agents will be allowed to chose the stamping equipment manufacturer.



Michigan Senate Bill 930

Public Act 188 of 2012

Michigan releases the RFP to implement Public Act 188 of 2012

- On August 3, 2012 the Michigan Department of Treasury released an RFP for the new Digital Tax Stamps.
- It is our understanding that numerous proposals were submitted.
- The RFP included references to a 6 month implementation period from the date the contract is awarded , until the full transition to the new stamp when stamping process will be required - although the statute does not mandate a timeline.
 - This includes the purchase, installation and training of the new machinery.
- On July 26, 2013 the Michigan Department of Treasury recommended an award to **Xerox State and Local Solutions, Inc.**

The Xerox / OpSec Partnership



- **Established over 30 years**
- **Over 50 government customers**
- **Leaders in OVD security & innovation**
- **Over 1 billion tax stamps protected**
 - Estonia National Liquor Stamp Program
 - Egypt Tax Stamp Program
 - US Sports Leagues
 - All Major Credit Cards

xerox



(Formally ACS)

- **Leaders in electronic reporting and data analytics**
 - MI/KY Tobacco Tax Reporting
 - MI/KY/VA/MS Fuel Tax Reporting
- **Global Fortune 500**
- **360 locations worldwide**
- **Over 150,000 employees strong**



Michigan Senate Bill 930

Public Act 188 of 2012

MDVA -Michigan Distributors and Vendors Association

MDVA and Michigan Department of Treasury meet on a regular basis and are developing the timeline, procedures and documentation required for the efficient implementation of the new law.

Partnering with the Michigan Department of Treasury:

- To assure that MDVA members are fully compliant with the new law.
- To keep MDVA members informed about clarifications, timelines and requirements of the new law.
- To assure that MDVA members qualify for all benefits included in the legislation.





REDSTAMP is a Michigan company providing Tax Stamping equipment since 1998

- Like our industry renowned “Heat Transfer” Cigarette Tax Stamping machine - RED Stamp offers an efficient, durable, and reliable Digital Tax Stamp machine along with all the other complimentary machines that will be required for you to successfully make this transition.
- RED Stamp machines come with a one year warranty backed by our industry leading service and maintenance programs.
- RED Stamp also provides engineering services to help you with the optimization of your new system.

Pre-orders are now being accepted:

- To get your new machine built and installed prior to the transition deadline (6 months more than 60 machines) – REDSTAMP is accepting pre-orders that will secure your place in order for production.
- This will allow you the maximum amount of time possible to implement the new system before the full transition deadline.
- A \$20,000 deposit will get your machine started now and completed as soon as possible.

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...is committed to working closely with all the stakeholders toward a smooth transition to the Digital Cigarette Stamping format. We are also diligently tracking each step of PA 188 of 2012 to assure the successful implementation for the Stamping Agents.

REDSTAMP

...is an Associate Member of **Michigan Distributors & Vendors Association**, and we will be working closely with the Association and its member wholesale companies. In addition, we are continuing to work closely with **Xerox State and Local Solutions Inc.** on the Michigan Digital implementation and are ready to assist you with your transition.

For questions or additional information Call:

616-878-7771 or 877-RED-STAMP
