



DEPARTMENT OF THE NAVY
NAVAL TRAINING CENTER
GREAT LAKES, ILLINOIS 60088-5000

NTCGLAKESINST 4060.1E
(NEX)/C

09 JUN 1993

NTC GREAT LAKES (COMPLEX³) INSTRUCTION 4060.1E

From: Commander, Naval Training Center, Great Lakes

Subj: SALE OF STATE TAX-FREE CIGARETTES IN RETAIL FACILITIES

Ref: (a) Illinois Statutes, Chapter 120 Revenue, para 453.9c
(b) Navy Resale Manual, para 4207.3

1. Purpose. To establish a uniform policy pertaining to the sale of state tax-free cigarettes in Navy Exchange retail outlets and in messes and clubs.

2. Cancellation. NTCGLAKESINST 4060.1D.

3. Background. States derive a considerable amount of revenue from the taxation on cigarettes. Government agencies have in the past come under criticism from various state governments due to a lack of control on the sale of tax-free cigarettes, potentially allowing unauthorized persons to obtain tax-free cigarettes. It is essential that controls on the sale of cigarettes be maintained in order to protect the privilege of Navy personnel to purchase tax-free cigarettes and to prevent unauthorized civilian personnel from obtaining cigarettes at Government retail sales outlets.

4. Policy. The General Manager, Navy Exchange will establish and maintain uniform control over the sale of tax-free cigarettes to ensure that the sale of tax-free cigarettes is within the limitation of the state law. Authorized patrons are limited to a maximum of 10 cartons of cigarettes per day, which is the maximum number of tax-free cigarettes that may be transported into the state of Illinois per reference (a). The sale of tax-free cigarettes by the carton is limited to the Navy Exchange. (R)

5. Scope. The provisions of this instruction are in conformance with references (a) and (b) and are applicable to the Navy Exchange and all clubs and messes. The sale of tax-free cigarettes in clubs and messes will be limited to packs, not cartons, and the price per pack will not be priced lower than the established exchange retail price.

6. Action. The General Manager, Navy Exchange, Club and Mess Managers will:

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- a. Establish procedures to regulate and monitor the sale of cigarettes in conformance with paragraphs 4 and 5.
 - b. Through the proper signs, remind patrons of the state law concerning the legal amount of tax-free cigarettes that may be transported into the state.
 - c. Remind patrons of the need to protect their important benefit and privilege of purchasing state tax-free tobacco products.
 - d. Ensure that all patrons purchasing cigarettes are identified as authorized patrons prior to the sale.
 - e. Place a sign about the harmful effects of cigarette smoking, "The Risk of Developing Lung Cancer," in each area where cigarettes are sold, whether by the pack or carton.
7. The General Manager, Navy Exchange will make the final decision on requests for exemptions to the maximum limit and will record all exemptions made as a matter of record. (R


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