



# FUSON® MODULARITY

BRINGING INCREASED TAX AND MSA REVENUES TO FUSON® CUSTOMERS

Did you know that states collect an average of roughly \$18 billion annually from tobacco excise taxes and more than \$7 billion annually from MSA settlements? This typically amounts to 3 - 5% of total state direct revenue per year. But tobacco smuggling and MSA arbitration are threatening those funds. With budgets getting tighter, it's vital for states to collect all revenue owed. Meyercord Revenue can help.



Example of FUSON® (heat-transfer) tax stamp

## FUSON® MODULARITY

FUSON® Modularity is a tiered, modular approach on the FUSON® platform to introduce track and trace capabilities for increased revenue realization, without requiring wholesalers and distributors to replace their existing equipment. Meyercord Revenue is the only

## FUSON® MODULARITY MODULES

<b>1. ORDERING &amp; FULFILLMENT</b> <b>DIRECT-TO-DISTRIBUTOR</b>
<ul style="list-style-type: none"> <li>• Stamp Production</li> <li>• Stamp Inventory</li> <li>• Stamp Distribution</li> <li>• Alerting</li> </ul>
<b>2. EQUIPMENT UPGRADE</b> <b>AUDIT &amp; INSPECTION</b>
<ul style="list-style-type: none"> <li>• Stamp Activation</li> <li>• MSA Product Capture</li> <li>• Service &amp; Maintenance</li> <li>• Service Dispatching</li> </ul>
<b>3. REPORTING &amp; RECONCILIATION</b> <b>FORMS CAPTURE</b>
<ul style="list-style-type: none"> <li>• Forms Submission</li> <li>• Delinquency &amp; Non-Filer</li> <li>• Reconciliation</li> <li>• History</li> </ul>
<b>4. AUDIT &amp; FIELD ENFORCEMENT</b> <b>HEAT-APPLIED TRACK &amp; TRACE</b>
<ul style="list-style-type: none"> <li>• Reporting</li> <li>• Inspection Management</li> </ul>

FUSON® Modularity is designed to assist Departments of Revenue and Offices of the Attorney General to enhance tax collection and fulfill the diligent enforcement required for MSA compliance. The solution includes a set of hardware and information technology tools for stamping activity verification, forms and reports, data capture and processing, and reporting and data reconciliation. Deployed on existing stamping machines and as a hosted service, FUSON® Modularity does not require additional IT investment from the department nor will it disrupt current stamping agent activities and processes.

FUSON® Modularity offers customers the benefits of:

- Complete revenue realization from taxes and MSA payment due
- Improved tax payer efficiency and compliance
- Effectiveness of audit and enforcement

### ABOUT SICPA

Founded in 1927, SICPA is a global leader in authentication, identification and secure traceability solutions and services that partners with governments, financial institutions, businesses and industries worldwide on matters related to security. With billions of products secured every year, SICPA is the world leader in secure traceability solutions and is recognized supplier and consultant to industries, security printers, governments and central banks.

### ABOUT MEYERCORD REVENUE

Founded in 1894, Meyercord Revenue is the leading excise tax stamp provider with customers in 44 U.S. states and more than 160 municipalities and Native American tribes. Meyercord Revenue has more than 59 years of dedicated industry experience providing cigarette excise tax stamps and has shipped over 5 trillion tax stamps to date.

## FUSON® MODULARITY CAPABILITIES

- Enables diligent enforcement supporting full capture of MSA allocations
- Offers robust compliance tools to support full excise tax collection
- Built on existing heat-transfer tax stamp infrastructure (no wholesaler business interruption)
- Augments enforcement and audit abilities

company currently offering this program and the only company that delivers the full set of capabilities (stamps, hardware and software) required to implement it.

With FUSON® Modularity, each stage of the cigarette tax chain is electronically facilitated and linked, including:

1. Online stamp ordering and centralized stamp fulfillment
2. Intelligent data capture tools on stamp application equipment for real-time stamping data
3. Online capture and automated reconciliation of forms submitted by wholesalers
4. Field enforcement and inspection upgrades

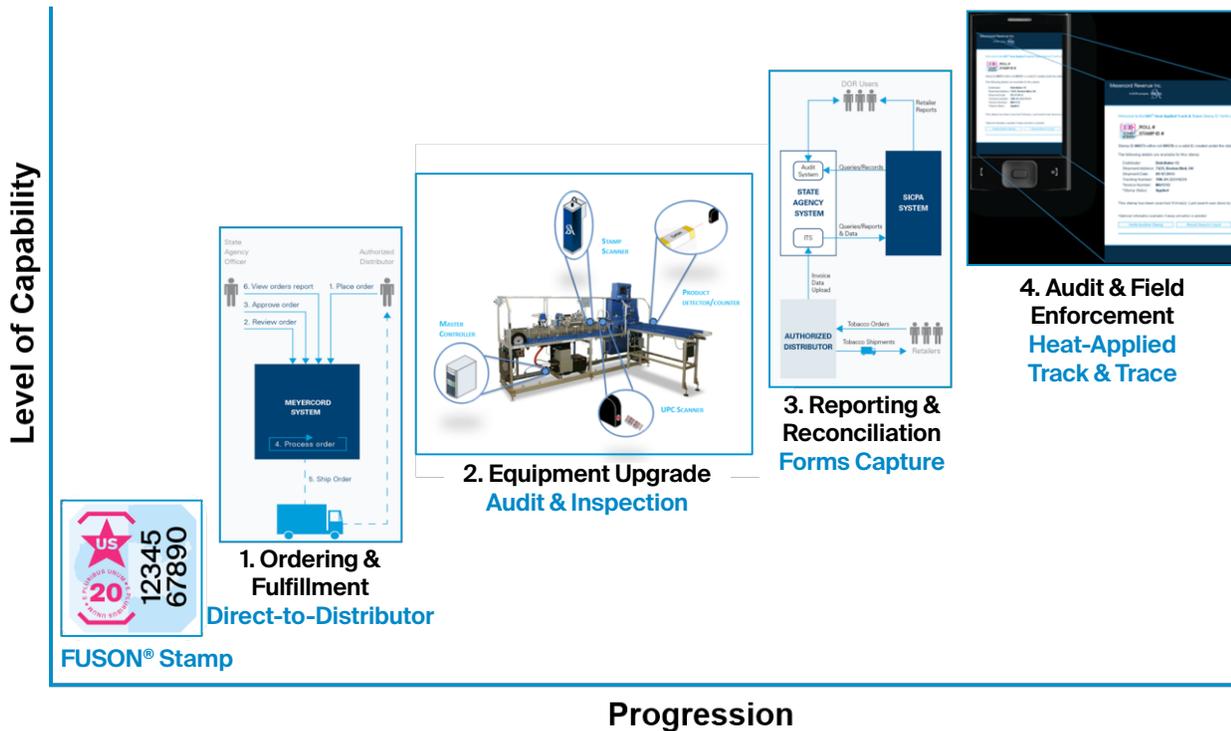
These tightly integrated capabilities create a set of reconciliation points

between disparate activities to enable immediate identification of non-compliant activities. FUSON® Modularity also captures and communicates the product-specific sales information State Attorneys General will need to ensure diligent enforcement of MSA terms.

## BENEFITS OF FUSON® MODULARITY

- Adoption is not a 'one size fits all' – modules can be progressively implemented to upgrade the existing infrastructure
- Solutions designed as part of the enterprise – systems can be integrated with existing ITS and other enterprise investments
- **Achieves benefits of track and trace with foundational FUSON® heat-transfer tax stamp infrastructure**

## A TIERED APPROACH TO MODULARITY



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