

1513-0071

26 U.S.C.

Sec. 5701. Rate of tax

(a) Cigars

On cigars, manufactured in or imported into the United States, there shall be imposed the following taxes:

(1) Small cigars

On cigars, weighing not more than 3 pounds per thousand, \$1.828 cents per thousand (\$1.594 cents per thousand on cigars removed during 2000 or 2001);

(2) Large cigars

On cigars weighing more than 3 pounds per thousand, a tax equal to 20.719 percent (18.063 percent on cigars removed during 2000 or 2001) of the price for which sold but not more than \$48.75 per thousand (\$42.50 per thousand on cigars removed during 2000 or 2001).

Cigars not exempt from tax under this chapter which are removed but not intended for sale shall be taxed at the same rate as similar cigars removed for sale.

(b) Cigarettes

On cigarettes, manufactured in or imported into the United States, there shall be imposed the following taxes:

(1) Small cigarettes

On cigarettes, weighing not more than 3 pounds per thousand, \$19.50 per thousand (\$17 per thousand on cigarettes removed during 2000 or 2001);

(2) Large cigarettes

On cigarettes, weighing more than 3 pounds per thousand, \$40.95 per thousand (\$35.70 per thousand on cigarettes removed during 2000 or 2001); except that, if more than 6 $\frac{1}{2}$ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2 $\frac{3}{4}$ inches, or fraction thereof, of the length of each as one cigarette.

(c) Cigarette papers

On cigarette papers, manufactured in or imported into the United States, there shall be imposed a tax of 1.22 cents (1.06 cents on cigarette papers removed during 2000 or 2001) for each 50 papers or fractional part thereof; except that, if cigarette papers measure more than 6 $\frac{1}{2}$ inches in length, they shall be taxable at the rate

prescribed, counting each $2\frac{3}{4}$ inches, or fraction thereof, of the length of each as one cigarette paper.

(d) Cigarette tubes

On cigarette tubes, manufactured in or imported into the United States, there shall be imposed a tax of 2.44 cents (2.13 cents on cigarette tubes removed during 2000 or 2001) for each 50 tubes or fractional part thereof, except that if cigarette tubes measure more than $6\frac{1}{2}$ inches in length, they shall be taxable at the rate prescribed, counting each $2\frac{3}{4}$ inches, or fraction thereof, of the length of each as one cigarette tube.

(e) Smokeless tobacco

On smokeless tobacco, manufactured in or imported into the United States, there shall be imposed the following taxes:

\1\ So in original. Probably should be ``manufactured''.

(1) Snuff

On snuff, 58.5 cents (51 cents on snuff removed during 2000 or 2001) per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(2) Chewing tobacco

On chewing tobacco, 19.5 cents (17 cents on chewing tobacco removed during 2000 or 2001) per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(f) Pipe tobacco

On pipe tobacco, manufactured in or imported into the United States, there shall be imposed a tax of \$1.0969 cents (95.67 cents on pipe tobacco removed during 2000 or 2001) per pound (and a proportionate tax at the like rate on all fractional parts of a pound).

(g) Roll-your-own tobacco

On roll-your-own tobacco, manufactured in or imported into the United States, there shall be imposed a tax of \$1.0969 cents (95.67 cents on roll-your-own tobacco removed during 2000 or 2001) per pound (and a proportionate tax at the like rate on all fractional parts of a pound).

(h) Imported tobacco products and cigarette papers and tubes

The taxes imposed by this section on tobacco products and cigarette papers and tubes imported into the United States shall be in addition to any import duties imposed on such articles, unless such import duties are imposed in lieu of internal revenue tax.

(Aug. 16, 1954, ch. 736, 68A Stat. 705; Mar. 30, 1955, ch. 18, Sec. 3(a)(9), 69 Stat. 14; Mar. 29, 1956, ch. 115, Sec. 3(a)(9), 70 Stat. 66; Pub. L. 85-12, Sec. 3(a)(7), Mar. 29, 1957, 71 Stat. 9; Pub. L. 85-475, Sec. 3(a)(7), June 30, 1958, 72 Stat. 259; Pub. L. 85-859, title II, Sec. 202, Sept. 2, 1958, 72 Stat. 1414; Pub. L. 86-75, Sec. 3(a)(7), June 30, 1959, 73 Stat. 157; Pub. L. 86-564, title II, Sec. 202(a)(9), June 30, 1960, 74 Stat. 290; Pub. L. 86-779, Sec. 1, Sept. 14, 1960, 74 Stat. 998; Pub. L. 87-72, Sec. 3(a)(9), June 30, 1961, 75 Stat. 193; Pub. L. 87-508, Sec. 3(a)(8), June 28, 1962, 76 Stat. 114; Pub. L. 88-52, Sec. 3(a)(9), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, Sec. 2(a)(9), June 30, 1964, 78 Stat. 237; Pub. L. 89-44, title V, Secs. 501(f), 502(a), June 21, 1965, 79 Stat. 150; Pub. L. 90-240, Sec. 4(a), Jan. 2, 1968, 81 Stat. 776; Pub. L. 94-455, title XIX, Sec. 1905(a)(24), title XXI, Sec. 2128(a), Oct. 4, 1976, 90 Stat. 1821, 1921; Pub. L. 97-248, title II, Sec. 283(a), Sept. 3, 1982, 96 Stat. 568; Pub. L. 99-272, title XIII, Sec. 13202(a), Apr. 7, 1986, 100 Stat. 311; Pub. L. 100-647, title V, Sec. 5061(a), Nov. 10, 1988, 102 Stat. 3679; Pub. L. 101-508, title XI, Sec. 11202(a)-(f), Nov. 5, 1990, 104 Stat. 1388-419; Pub. L. 105-33, title IX, Sec. 9302(a)-(g)(1), (h)(3), Aug. 5, 1997, 111 Stat. 671, 672, 674.)

Sec. 5741. Records to be maintained

Every manufacturer of tobacco products or cigarette papers and tubes, every importer, and every export warehouse proprietor shall keep such records in such manner as the Secretary shall by regulation prescribe. The records required under this section shall be available for inspection by any internal revenue officer during business hours.

27 CFR

§ 40.185 Retention of records.

All records required to be kept under this part, including copies of authorizations, claims, inventories, notices, reports, returns and schedules, shall be retained by the manufacturer for three years following the close of the calendar year in which filed or made, or in the case of an authorization, for three years following the close of the calendar year in which the operation under such authorization is concluded. Such records shall be kept in the factory or a place convenient thereto, and shall be made available for inspection by any appropriate TTB officer upon his request.

(72 Stat. 1423; 26 U.S.C. 5741)

§ 40.187 Record of sale prices of large cigars.

Every manufacturer of tobacco products who removes large cigars from the factory shall keep such records as are necessary to establish and verify the price for which the cigars are sold, in accordance with § 40.22. The record shall be a continuing one of each brand and size of cigar so that the sale price on which the tax is based may be readily ascertained.

[T.D. ATF-307, 55 FR 52743, Dec. 21, 1990 as amended by T.D. ATF-420, 64 FR 71941, Dec. 22, 1999; T.D. ATF-460, 66 FR 39094, July 27, 2001]

§ 41.22 Retention of records.

All records required to be kept under this part, including copies of claims and schedules, authorizations, notices of release, reports, and returns, shall be retained for three years following the close of the year in which filed or made, or in the case of an authorization, for three years following the close of the calendar year in which the operation under such authorization is concluded. Such records shall be made available for inspection by any appropriate TTB officer upon his request.

(72 Stat. 1423; 26 U.S.C. 5741)

[26 FR 8189, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and further redesignated and amended by T.D. TTB-16, 69 FR 52424, Aug. 26, 2004]

§ 41.181 Records of large cigars.

Every person who imports large cigars for sale within the United States must keep such records as are necessary to establish and verify the sale price that applies to large cigars removed (entered or withdrawn).

(a) Basic record. The importer must keep a record to show each sale price (as determined under § 41.39), which is applicable to large cigars removed. No later than the tenth business day in January of each year the importer must prepare such a record to show the sale price in effect on the first day of that year for each brand and size of large cigars. The importer must note any change in a price from that shown in the record within ten business days after such change in price. The record must be a continuing one for each brand and size of cigar (and type of packaging, if pertinent), so that the taxable price on any date may be readily ascertained. If an importer removes new types of large cigars after the beginning of the year, the importer must enter the sale price and its effective date for such large cigars in the basic record within ten business days after such removal.

(b) Copies of price announcements. The importer must keep a copy of each general announcement that is issued internally or to the trade about establishment or change of large cigar sale prices. If the copy does not show the actual date when issued it must be annotated to show this information.

(c) Copies of entry and withdrawal forms. The importer must keep a copy of each customs entry or withdrawal form on which internal revenue tax for large cigars is declared pursuant to § 41.81.

(d) Alternative record. If an importer has so few import transactions and/or brands and sizes of large cigars that retention of an appropriate copy of each entry and withdrawal form required under paragraph (c) of this section will provide an adequate record of sale prices, then the record required under paragraph (a) of this section need not be kept. In such case the entry and withdrawal forms must identify the brands and sizes of cigars covered and show the corresponding quantity and sale price for each. If such information was not originally entered on the form it may be included by annotation. Whenever the appropriate TTB officer finds that alternative records being kept pursuant to this paragraph are inadequate for the intended purpose, he or she may so notify the importer in writing, after which time the importer must keep the record required under paragraph (a) of this section.

(Approved by the Office of Management and Budget under control number 1513-0071)

[T.D. ATF-40, 42 FR 5007, Jan. 26, 1977, as amended by T.D. ATF-172, 49 FR 14943, Apr. 16, 1984; T.D. ATF-307, 55 FR 52745, Dec. 21, 1990]