



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES **AN 2001(11)**

25 Sigourney Street
Hartford CT 06106-5032

ANNOUNCEMENT

Implementation of Roll-Your-Own Tobacco Legislation Delayed

Purpose: This Announcement alerts taxpayers and tax practitioners that, until further notice, roll-your-own tobacco will continue to be subject to the tobacco products tax rather than to the cigarette tax.

Effective Date: Effective January 1, 2002.

Statutory Authority: Conn. Gen. Stat. §§12-285(b) and 12-330a, as amended by 2001 Conn. Pub. Acts 6, §§27 and 28 (June Spec. Sess.) (“2001 legislation”).

Implementation Delayed: The 2001 legislation treats each 0.09 ounce of roll-your-own tobacco as a cigarette subject to the cigarette tax rather than to the tobacco products tax. As a consequence, unless implementation of this legislation is delayed, each package of roll-your-own cigarette tobacco would be required, as of January 1, 2002, to have Connecticut cigarette tax stamps affixed to it and to contain no less than 1.8 ounces of roll-your-own cigarette tobacco.

The Department of Revenue Services (DRS) has decided that implementation of the 2001 legislation should be delayed until further notice. As a result of this decision, taxpayers and tax practitioners should be aware of the following:

- First, the delay in implementation prevents packages of roll-your-own tobacco in the inventory of licensed tobacco product distributors as of January 1, 2002, from being subject both to the tobacco products tax and to the cigarette tax. Packages in the inventory of licensed tobacco product distributors as of January 1, 2002, remain subject only to the tobacco products tax, and packages purchased on or after January 1, 2002, continue to be subject to the tobacco products tax unless and until DRS announces that packages purchased on or after a specified date will be

subject to the cigarette tax and not to the tobacco products tax. DRS will provide notice of a change at least 60 days in advance.

- Second, the delay in implementation permits packages containing less than 1.8 ounces of roll-your-own tobacco (the equivalent of 20 cigarettes) to be sold. Because of the delay, it is not unlawful to sell packages containing less than 1.8 ounces of roll-your-own tobacco unless and until DRS announces that packages containing less than 1.8 ounces of roll-your-own tobacco may not be sold on or after a specified date. DRS will provide notice of a change at least 60 days in advance.
- Third, the delay in implementation permits packages of roll-your-own tobacco to be sold without having Connecticut cigarette tax stamps affixed to them. Unstamped packages in the inventory of licensed tobacco product distributors as of January 1, 2002, may be sold, and unstamped packages purchased on or after January 1, 2002, may be sold unless and until DRS announces that unstamped packages may not be sold on or after a specified date. DRS will provide notice of a change at least 60 days in advance.

The current requirements imposed on licensed tobacco products distributors to report roll-your-own tobacco held for sale on **Form OP-300, Tobacco Products Tax Return**, and to pay tobacco products tax on these products held for sale remain unchanged unless and until DRS announces otherwise.

Effect on Other Documents: None affected.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

For Further Information on the Cigarette or Tobacco Products Taxes: Call the Excise/Public Services Taxes Subdivision at **860-541-3225** during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.

AN 2001(11)
Cigarette Tax
Tobacco Products Tax
Issued: 12/28/2001