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CHAPTER SEVEN.

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Manufacturer's statement and bond.

20 July, 1868, c. 186, s. 82, v. 15, p. 160.

SEC. 3387. Every person before commencing, or, if he has already commenced, before continuing, the manufacture of cigars, shall furnish, without previous demand therefor, to the collector of the district a statement in duplicate, under oath, setting forth the place, and, if in a city, the street and number of the street, where the manufacture is to be carried on; and when the same are to be manufactured for, or to be sold and delivered to, any other person, the name and residence and business or occupation of the person for whom they are to be manufactured, or to whom they are to be delivered; and shall give a bond, in conformity with the provisions of this Title, in such penal sum as the collector may require, not less than five hundred dollars, with an addition of one hundred dollars for each person proposed to be employed by him in making cigars, and the sum of said bond may be increased from time to time and additional sureties required, at the discretion of the collector, or under the instructions of the Commissioner of Internal Revenue. Said bond shall be conditioned that he shall not employ any person to manufacture cigars who has not been duly registered as a cigar-maker; that he shall not engage in any attempt, by himself or by collusion with others, to defraud the Government of any tax on his manufactures; that he shall render correctly all the returns, statements, and inventories prescribed; that whenever he shall add to the number of cigar-makers employed by him he shall immediately give notice thereof to the collector of the district; that he shall stamp, in accordance with law, all cigars manufactured by him before he offers the same or any part thereof for sale, and before he removes any part thereof from the place of manufacture; that he shall not knowingly sell, purchase, expose, or receive for sale, any cigars which have not been stamped as required by law; and that he shall comply with all the requirements of law relating to the manufacture of cigars. Every cigar-manufacturer shall obtain from the collector of the district, who is hereby required to issue the same, a certificate setting forth the number of cigar-makers for which the bond has been given, and shall keep the same posted in a conspicuous place within the manufactory; and every cigar-manufacturer who neglects or refuses to obtain such certificate, or to keep the same posted as hereinbefore provided, shall be fined one hundred dollars. And every person who manufactures cigars of any description, without first giving bond as herein required, shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than five years. Cigarettes and cheroots shall be held to be cigars under the meaning of this chapter.

Manufacturer's sign.

SEC. 3388. Every cigar-manufacturer shall place and keep on the side or end of the building within which his business is carried on, so that it can be distinctly seen, a sign, with letters thereon not less than three inches in length, painted in oil-colors or gilded, giving his full name and business. Any person neglecting to comply with the requirements of this section shall, on conviction, be fined not less than one hundred dollars nor more than five hundred dollars.

20 July, 1868, c. 186, s. 83, v. 15, p. 160.

Record of manufacturers and makers.

SEC. 3389. Every collector shall keep a record, in a book provided for that purpose, to be open to the inspection of any person, of the name and residence of every person engaged in the manufacture of cigars in his district, the place where such manufacture is carried on, the number of the manufactory, and the names and residences of every cigar-maker employed in his district; and he shall enter in said record, under the name of each manufacturer, an abstract of his inventories and monthly returns. And he shall cause the several manufactories of cigars in the district to be numbered consecutively, which number shall not thereafter be changed.

20 July, 1868, c. 186, s. 84, v. 15, p. 161.

Annual inventory, book entries and monthly abstracts of manufacturer.

SEC. 3390. Every person now or hereafter engaged in the manufacture of cigars shall make and deliver to the collector of the district a true inventory, in such form as may be prescribed by the Commissioner of Internal Revenue, of the quantity of leaf tobacco, cigars, stems, scraps, clippings, and waste, and of the number of cigar-boxes and the capacity of each box, held or owned by him on the first day of January of each year, or at the time of commencing and at the time of concluding business, if before or after the first of January; setting forth what portion and kinds of said goods were manufactured or produced by him, and what were purchased from others, and shall verify said inventory by his oath indorsed thereon. The collector shall make personal examination of the stock sufficient to satisfy himself as to the correctness of the inventory; and shall verify the fact of such examination by oath to be indorsed on the inventory. Every such person shall also enter daily in a book, the form of which shall be prescribed by the Commissioner of Internal Revenue, an accurate account of all the articles aforesaid purchased by him, the quantity of leaf-tobacco, cigars, stems, or cigar-boxes, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture; and shall, on or before the tenth day of each and every month, furnish to the collector of the district a true and accurate abstract from such book, verified by his oath, of all such purchases, sales, and removals made during the month next preceding. In case of refusal or willful neglect to deliver the inventory or keep the account, or furnish the abstract aforesaid, he shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years.

Ibid., s. 86, p. 161.

Dealers in material for cigars to make sworn statement, when demanded.

SEC. 3391. It shall be the duty of every dealer in leaf-tobacco or material used in manufacturing cigars, on demand of any officer of internal revenue, to render to such officer a true and correct statement, under oath, of the quantity and amount of such leaf-tobacco or materials sold or delivered to any person named in such demand; and in case of refusal or neglect to render such statement, or if there is cause to believe such statement to be incorrect or fraudulent, the collector shall make an examination of persons, books, and papers in the manner provided in this Title in relation to frauds and evasions.

Ibid., s. 86, p. 162.

How cigars are to be packed.

SEC. 3392. All cigars shall be packed in boxes not before used for that purpose, containing, respectively, twenty-five, fifty, one hundred, two hundred and fifty, or five hundred cigars each; and every person who sells or offers for sale, or delivers or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of the number provided by law to be put in each box respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each such offense not less than one hundred dollars nor

Ibid., s. 85, p. 161.

more than one thousand dollars, and be imprisoned not less than six months nor more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers who have paid the special tax as such from boxes packed, stamped, and branded in the manner prescribed by law.

Label and notice on cigars.

Ibid., s. 88, p. 162. 10 April, 1869, c. 18, s. 1, v. 16, p. 43.

SEC. 3393. Every manufacturer of cigars shall securely affix, by pasting on each box containing cigars manufactured by or for him, a label, on which shall be printed, together with the proprietor's or manufacturer's name, the number of the manufactory, and the district and State in which it is situated, these words:

"NOTICE.—The manufacturer of the cigars herein contained has complied with all the requirements of law. Every person is cautioned under the penalties of law not to use this box for cigars again."

Every manufacturer of cigars who neglects to affix such label to any box containing cigars made by or for him, or sold or offered for sale by or for him, and every person who removes any such label, so affixed, from any such box, shall be fined fifty dollars for each box in respect to which such offense is committed.

Tax on cigars and cigarettes.

20 July, 1868, c. 186, s. 81, v. 15, p. 160.

SEC. 3394. Upon cigars which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected the following taxes, to be paid by the manufacturer thereof:

On cigars of all descriptions, made of tobacco or any substitute therefor, five dollars per thousand; on cigarettes weighing not more than three pounds per thousand, one dollar and fifty cents per thousand; on cigarettes weighing more than three pounds per thousand, five dollars per thousand.

Stamps, how prepared, furnished and accounted for.

Ibid., s. 87, p. 162.

SEC. 3395. The Commissioner of Internal Revenue shall cause to be prepared, for payment of the tax upon cigars, suitable stamps denoting the tax thereon. Such stamps shall be furnished to collectors requiring them, and collectors shall, if there be any cigar-manufacturers within their respective districts, keep on hand at all times a supply equal in amount to two months' sales thereof, and shall sell the same only to the cigar-manufacturers who have given bonds and paid the special tax, as required by law, in their districts, respectively, and to importers of cigars, who are required to affix the same to imported cigars in the custody of customs officers, and to persons required by law to affix the same to cigars on hand after the first day of April, eighteen hundred and sixty-nine. Every collector shall keep an account of the number, amount, and denominate values of the stamps sold by him to each cigar-manufacturer, and to other persons above described.

Inspection of cigars, &c.

Ibid., s. 81, p. 160.

SEC. 3396. The Commissioner of Internal Revenue may prescribe such regulations for the inspection of cigars, cheroots, and cigarettes, and the collection of the tax thereon, as he may deem most effective for the prevention of frauds in the payment of such tax.

Removal without properly boxing, stamping, or branding; using false stamps, &c.

Ibid., s. 89, p. 162. 6 June, 1872, c. 315, s. 31, v. 17, p. 255.

SEC. 3397. Whenever any cigars are removed from any manufactory, or place where cigars are made, without being packed in boxes as required by the provisions of this chapter, or without the proper stamp thereon denoting the tax, or without burning into each box with a branding-iron the number of the cigars contained therein, the name of the manufacturer, and the number of the district and the State, or without properly affixing thereon and canceling the stamp denoting the tax on the same, or are sold or offered for sale not properly boxed and stamped, they shall be forfeited to the United States. And every person who commits any of the above-described offenses shall be fined for each such offense not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than two years. And every person who packs cigars in any box bearing a false or fraudulent or counterfeit stamp, or who affixes to any box containing cigars a stamp in the similitude or likeness of any stamp required to be used by the laws of the United States, whether the same be a customs or internal-revenue stamp; or who buys, receives, or has in his possession any cigars on which the tax to which they are liable

has not been paid, or who removes or causes to be removed from any box any stamp denoting the tax on cigars, with intent to use the same, or who uses or permits any other person to use any stamp so removed, or who receives, buys, sells, gives away, or has in his possession any stamp so removed, or who makes any other fraudulent use of any stamp intended for cigars, or who removes from the place of manufacture any cigars not properly boxed and stamped as required by law, shall be deemed guilty of a felony, and shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years.

Absence of stamps evidence of non-payment of tax.

SEC. 3398. The absence of the proper revenue-stamp on any box of cigars sold, or offered for sale, or kept for sale, shall be notice to all persons that the tax has not been paid thereon, and shall be prima-facie evidence of the non-payment thereof, and such cigars shall be forfeited to the United States.

20 July, 1868, c. 186, s. 90, v. 15, p. 163.

Cigars manufactured on shares, commission, or contract; how stamped; frauds.

SEC. 3399. Whenever cigars of any description are manufactured, in whole or in part, upon commission or shares, or the material is furnished by one party and manufactured by another, or the material is furnished or sold by one party with an understanding or agreement with another that the cigars are to be received in payment therefor, or for any part thereof, the stamps required by law shall be affixed by the actual maker before the cigars are removed from the place of manufacturing. And in case of fraud on the part of either of said parties in respect to said manufacture, or of any collusion on their part with intent to defraud the revenue, such material and cigars shall be forfeited to the United States; and every person engaged in such fraud or collusion shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned for not less than six months nor more than three years.

Ibid., s. 91, p. 163.

Forfeiture of property for selling, &c., contrary to law, using false stamps, &c.

SEC. 3400. Every manufacturer of cigars who removes or sells any cigars without payment of the special tax as a cigar-manufacturer, or without having given bond as such, or without the proper stamps denoting the tax thereon; or who makes false or fraudulent entries of the manufacture or sale of any cigars; or makes false or fraudulent entries of the purchase or sale of leaf-tobacco, tobacco-stems, or other material used in the manufacture of cigars; or who affixes any false, forged, spurious, fraudulent, or counterfeit stamp, or imitation of any stamp, required by law to any box containing any cigars, shall, in addition to the penalties elsewhere provided in this Title for such offenses, forfeit to the United States all raw material and manufactured or partly manufactured tobacco and cigars, and all machinery, tools, implements, apparatus, fixtures, boxes, barrels, and all other materials which shall be found in his possession, or in his manufactory, and used in his business as such manufacturer, together with his estate or interest in the building or factory, and the lot or tract of ground on which such building or factory is located, and all appurtenances thereunto belonging.

Ibid., s. 92, p. 163.

Falsely representing cigars to have been made prior to 20 July, 1868.

SEC. 3401. Every person who sells or offers for sale any cigars, representing the same to have been manufactured and the tax paid thereon prior to July twenty, eighteen hundred and sixty-eight, when the same were not so manufactured and the tax was not so paid, shall be liable to a penalty of five hundred dollars for each offense, and shall be deemed guilty of a misdemeanor, and shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years.

Ibid., s. 95, p. 164.

Imported cigars to pay tax; stamps, when and by whom affixed.

SEC. 3402. All cigars imported from foreign countries shall pay, in addition to the import duties imposed thereon, the tax prescribed by law for cigars manufactured in the United States, and shall have the same stamps affixed. The stamps shall be affixed and canceled by the owner or importer of the cigars while they are in the custody of the proper custom-house officers, and the cigars shall not pass out of the custody of such officers until the stamps have been so affixed and canceled, but

Ibid., s. 93, p. 163.

shall be put up in boxes containing quantities as prescribed in this chapter for cigars manufactured in the United States, before the stamps are affixed. And the owner or importer of such cigars shall be liable to all the penal provisions of this Title prescribed for manufacturers of cigars manufactured in the United States. Whenever it is necessary to take any cigars so imported to any place other than the public stores of the United States, for the purpose of affixing and canceling such stamps, the collector of customs of the port where such cigars are entered shall designate a bonded warehouse to which they shall be taken, under the control of such customs officer as such collector may direct. And every officer of customs who permits any such cigars to pass out of his custody or control, without compliance by the owner or importer thereof with the provisions of this section relating thereto, shall be deemed guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years. [Sec § 2804.]

Selling imported cigars not packed as required by law.

Ibid., s. 94, p. 164.

SEC. 3403. All cigars, of every description, on hand after the first day of April, eighteen hundred and sixty-nine, shall be taken to have been either manufactured or imported after the passage of the internal-revenue act of July twentieth, eighteen hundred and sixty-eight, and shall be stamped accordingly. Every person who sells or offers for sale any imported cigars, or cigars purporting or claimed to have been imported, not put up in packages and stamped as provided by this chapter, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years.

Purchasing cigars not branded or stamped.

SEC. 3404. Every person who purchases or receives for sale any cigars which have not been branded or stamped according to law, shall be liable to a penalty of fifty dollars for each such offense.

13 July, 1866, c. 184, s. 9, v. 14, p. 126. 30 June, 1864, c. 173, s. 92, v. 13, p. 263. 20 July, 1868, c. 186, s. 89, v. 15, p. 162.

Buying cigars from a manufacturer who has not paid a special tax.

SEC. 3405. Every person who purchases or receives for sale any cigars from any manufacturer who has not paid the special tax shall be liable for each offense to a penalty of one hundred dollars, and to a forfeiture of all the said articles so purchased or received, or of the full value thereof.

13 July, 1866, c. 184, s. 9, v. 14, p. 126.
30 June, 1864, c. 173, s. 92, v. 13, p. 263.

Stamps on emptied cigar-boxes to be destroyed; penalty for neglect, &c.

SEC. 3406. Whenever any stamped box containing cigars, cheroots, or cigarettes, is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon. And any person who willfully neglects or refuses so to do shall, for each such offense, be fined not exceeding fifty dollars and imprisoned not less than ten days nor more than six months. And any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing cigars, cheroots, or cigarettes, any such stamped box, shall for each such offense be fined not exceeding one hundred dollars and be imprisoned not more than one year. Any revenue officer may destroy any emptied cigar-box upon which a cigar-stamp is found.

6 June, 1872, c. 315, s. 33, v. 17, p. 255.
2 March, 1867, c. 169, s. 32, v. 14, p. 484.
20 July, 1868, c. 186, ss. 72, 89, v. 15, pp. 156, 162.