

## § 41.37

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009, as amended by T.D. TTB-85, 75 FR 42607, July 22, 2010]

### CLASSIFICATION OF LARGE CIGARS AND CIGARETTES

#### § 41.37 [Reserved]

#### § 41.38 Cigarettes.

For internal revenue tax purposes, small cigarettes are designated Class A and large cigarettes are designated Class B.

(72 Stat. 1414; 26 U.S.C. 5701)

[26 FR 8191, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975]

#### § 41.39 Determination of sale price of large cigars.

The tax imposed on large cigars is computed based on the sale price (the price for which the large cigars are sold by the importer or United States manufacturer). In addition to money, goods or services exchanged for cigars may be considered as part of the sale price. See § 40.22(b) of this chapter for information on determining the sale price in special cases. See § 41.40 of this chapter regarding liability for tax on large cigars, not put up in packages, released from customs custody without payment of tax for delivery to a domestic manufacturer of tobacco products.

[T.D. ATF-420, 64 FR 71944, Dec. 22, 1999; T.D. ATF-422, 64 FR 71948, Dec. 22, 1999; T.D. ATF-422a, 65 FR 15058, Mar. 31, 2000; T.D. ATF-460, 66 FR 39093, July 27, 2001; 78 FR 38568, June 27, 2013]

### LIABILITY FOR AND PAYMENT OF TAXES

#### § 41.40 Persons liable for tax.

The importer of tobacco products or cigarette papers and tubes is liable for the internal revenue taxes imposed thereon by 26 U.S.C. 5701 or 7652, except when tobacco products or cigarette papers or tubes imported or brought into the United States (other than those previously exported and returned) are released from customs custody, without payment of tax as provided under 26 U.S.C. 5704(c). Under section 5704(c), tobacco products and cigarette papers and tubes, imported or brought into the United States, may be released from customs custody, without pay-

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ment of tax, for delivery to the proprietor of an export warehouse, or to a manufacturer of tobacco products or cigarette papers and tubes if such articles are not put up in packages. Under these circumstances the transferee will become liable for the internal revenue tax on these articles upon release from customs custody, and the importer will thereupon be relieved from the liability for the tax. However, if the transferee is also the importer, the importer will not be relieved from the liability for the tax.

[78 FR 38568, June 27, 2013]

#### § 41.41 Determination and payment of tax.

Tobacco products and cigarette papers and tubes imported or brought into the United States, on which internal revenue taxes are due and payable, are not eligible for release from customs custody until those taxes have been determined.

[78 FR 38569, June 27, 2013]

### EXEMPTIONS FROM TAXES AND PERMITS

#### § 41.50 Exemptions.

The Harmonized Tariff Schedule of the United States (19 U.S.C. 1202) and the customs regulations (19 CFR chapter I) provide for certain exemptions from internal revenue taxes with respect to tobacco products and cigarette papers and tubes imported into the United States. These exemptions include, but are not limited to, certain importations in passengers' baggage, for use of crew members, and by foreign officials. Persons importing tobacco products and cigarette papers and tubes as described in this section are not required to obtain a permit.

[T.D. 6871, 31 FR 41, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28084, Aug. 5, 1986; T.D. ATF-243, 52 FR 43194, Dec. 1, 1986; T.D. ATF-284, 54 FR 12190, Mar. 24, 1989; T.D. ATF-422, 64 FR 71949, Dec. 22, 1999; 78 FR 38569, June 27, 2013; T.D. TTB-196, 89 FR 87947, Nov. 6, 2024]

### ASSESSMENT OF TAXES

#### § 41.60 Assessment.

Whenever any person required by law to pay internal revenue tax on tobacco