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and opportunity for hearing afforded in accordance with part 200 of this chapter, which part is applicable to such proceedings. If the hearing examiner, or on appeal, the Director, decides the permit should be suspended or revoked, the regional director (compliance) shall by order give effect to such decision.

(Sec. 201, Pub. L. 85–859, 72 Stat. 1421, as amended (26 U.S.C. 5713))

[26 FR 8174, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF–48, 44 FR 55855, Sept. 28, 1979]

Subpart K—Manufacture of Cigarette Papers and Tubes

SOURCE:T.D. ATF–384, 61 FR 54085, Oct. 17, 1996, unless otherwise noted.

§ 270.351 Cigarette papers.

On each book or set of cigarette papers containing more than 25 papers, manufactured in or imported into the United States, the following taxes are imposed by law:

(a) Cigarette papers removed before January 1, 1991, ½ cent for each 50 papers or fractional part thereof.

(b) Cigarette papers removed on or after January 1, 1991, and before January 1, 1993, 0.625 cent for each 50 papers or fractional part thereof.

(c) Cigarette papers removed on or after January 1, 1993, 0.75 cent for each 50 papers or fractional part thereof.

(d) Where cigarette papers measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette paper.

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

§ 270.352 Cigarette tubes.

On cigarette tubes, manufactured in or imported into the United States, the following tax is imposed by law for each 50 tubes or fractional part thereof:

(a) Cigarette tubes removed before January 1, 1991, 1 cent.

(b) Cigarette tubes removed on or after January 1, 1991 and before January 1, 1993, 1.25 cents.

(c) Cigarette tubes removed on or after January 1, 1993, 1.5 cents.

(d) Where cigarette tubes measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette tube.

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

§ 270.353 Persons liable for tax.

The manufacturer of cigarette papers and tubes shall be liable for the taxes imposed on such articles by 26 U.S.C. 5701. When a manufacturer of cigarette papers and tubes transfers such papers and tubes without payment of tax, pursuant to 26 U.S.C. 5704 to the bonded premises of another such manufacturer, a manufacturer of tobacco products, or an export warehouse proprietor, the transferee shall become liable for the tax upon receipt of such papers and tubes and the transferor shall thereupon be relieved of liability for the tax. When cigarette papers and tubes are released in bond from customs custody for transfer to the bonded premises of a manufacturer of such papers and tubes or a manufacturer of tobacco products, the transferee shall become liable for the tax on the papers and tubes upon release from customs custody. Any person who possesses cigarette papers and tubes in violation of 26 U.S.C. 5751(a) (1) or (2), shall be liable for a tax equal to the rate of tax applicable to such articles.

(72 Stat. 1417, 1424; 26 U.S.C. 5703, 5751)

§ 270.354 Determination of tax and method of payment.

Except for removals without payment of tax and transfers in bond, as authorized by law, no cigarette papers and tubes shall be removed until the taxes imposed by section 5701, I.R.C., have been determined. The payment of taxes on cigarette papers and tubes which are removed on determination of tax shall be made by return in accordance with the provisions of this subpart.

(72 Stat. 1417; 26 U.S.C. 5703)

§ 270.355 Return of manufacturer.

(a) *Requirement for filing.* A manufacturer of cigarette papers and tubes shall file, for each factory, a semimonthly tax return on ATF Form