

Pt. 1463

7 CFR Ch. XIV (1–1–12 Edition)

(1) *Enforcement and refunds; liens and schemes or devices.* Grantees must comply with all conditions of the grant and any monies not spent or improperly spent must be returned immediately with interest to run at the normal rate for CCC obligations. Interest charges will be computed from the date of the CCC disbursement. Grantees must insure that parties that receive funds from the grantee comply with the grantee's application and return funds made available by the grantee where there is no such compliance. Any scheme or device to avoid any limits of this part will be considered to be a program violation with respect to any grant to which that scheme or device is related. Grant funds will be made available to the States or Tribes that are grantees under this part without regard to the claims of others, unless CCC determines otherwise.

- 1463.110 Misrepresentation and scheme or device.
- 1463.111 Offsets and assignments.
- 1463.112 Successor in interest contracts.
- 1463.113 Issuance of payments in event of death.
- 1463.114 Appeals.

Subpart C—Miscellaneous Provisions

- 1463.201 Refunds of importer assessments.

AUTHORITY: 7 U.S.C. 518–519a, 714b, and 714c.

SOURCE: 70 FR 7011, Feb. 10, 2005, unless otherwise noted.

Subpart A—Tobacco Transition Assessments

§ 1463.1 General.

The Commodity Credit Corporation (CCC) will levy assessments from January 1, 2005 through September 30, 2014 on certain domestic manufacturers and importers of tobacco products as provided for in this subpart in order to fund the issuance of payments made under subpart B of this part and to fund other activities authorized by Title VI of the American Jobs Creation Act of 2004. The total amount of assessments that may be collected under this part shall not exceed \$10.140 billion.

§ 1463.2 Administration.

The provisions of this subpart will be administered under the general supervision of the Executive Vice President, CCC.

§ 1463.3 Definitions.

The definitions in this section shall apply for all purposes of administering the provisions of this subpart:

Act means Title VI of the America Jobs Creation Act of 2004 (Public Law 108–357).

Adjusted market share means the market share of a manufacturer of tobacco products or an importer of tobacco products adjusted to reflect such entity's share of a class of tobacco during the immediately preceding calendar year quarter. With respect to the 39th and 40th quarterly payments due on September 30, 2014, the adjusted market share will be the entity's share of a class of tobacco during the April 1–June 30, 2014 quarter.

PART 1463—2005–2014 TOBACCO TRANSITION PROGRAM

Subpart A—Tobacco Transition Assessments

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- 1463.6 Determination of persons liable for payment of assessments.
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- 1463.8 Notification of assessments.
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- 1463.10 Civil penalties and criminal penalties.
- 1463.11 Appeals and judicial review.

Subpart B—Tobacco Transition Payment Program

- 1463.100 General.
- 1463.101 Administration.
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- 1463.103 Eligible quota holder.
- 1463.104 Eligible tobacco producer.
- 1463.105 Base quota levels for eligible quota holders.
- 1463.106 Base quota levels for eligible tobacco producers.
- 1463.107 Payment to eligible quota holders.
- 1463.108 Payment to eligible tobacco producers.
- 1463.109 Contracts.

Base period means the period July 1 through June 30 immediately preceding the beginning of a fiscal year.

CCC's point of contact means, for items physically sent to CCC, "Fibers, Peanuts, and Tobacco Analysis Group, Economic and Policy Analysis Staff, Farm Service Agency, United States Department of Agriculture (USDA), STOP 0515, Room 3720-S, 1400 Independence Avenue, SW., Washington, DC 20250-0515" unless otherwise specified by CCC through actual notice.

Calendar year means the period January 1 through December 31.

Class of tobacco means each of the following types of tobacco and tobacco products for which taxes are required to be paid for the removal of such into domestic commerce: cigarettes; cigars; snuff; roll-your-own tobacco; chewing tobacco; and pipe tobacco.

Domestic manufacturer of tobacco products means an entity that is required to obtain a permit from the Alcohol and Tobacco Tax and Trade Bureau of the Department of the Treasury with respect to the production of tobacco products under title 27 of the Code of Federal Regulations.

Fiscal year means the period October 1 through September 30.

Gross domestic volume means the volume of tobacco products removed, as defined by section 5702 of the Revenue Code, and not exempt from tax under chapter 52 of such code at the time of their removal under that chapter or the Harmonized Tariff Schedule of the United States.

Importer of tobacco products means an entity that is required to obtain a permit from the Alcohol and Tobacco Tax and Trade Bureau of the Department of the Treasury with respect to the importation of tobacco products under title 27 of the Code of Federal Regulations.

Market share means the share of each domestic manufacturer and importer of a class of tobacco product, to the fourth decimal place, of the total volume of domestic sales of the class of tobacco product in the base period. Such sales shall be determined by CCC by using the total volume of such class of tobacco product that is removed into domestic commerce in the base period.

National assessment means the total amount of funding that CCC has determined to be necessary to collect in a year from domestic manufacturer and importer of tobacco products in order to reimburse CCC for expenditures that it will incur in the year for expenses incurred under sections 622 and 623 of the Act in making payments under subpart B of this part; losses sustained by CCC in the disposition of tobacco acquired under price support loan agreements as provided in section 641(c) of the Act; and costs incurred by CCC in the utilization of financial institutions in administering sections 622 and 623 of the Act.

Revenue Code means the Internal Revenue Code of 1986.

Tobacco Trust Fund means an account established for deposit of assessments collected under this subpart, plus interest that accrues on such assessments, to be used to implement this subpart.

[70 FR 7011, Feb. 10, 2005, as amended at 70 FR 17158, Apr. 4, 2005; 73 FR 23066, Apr. 29, 2008]

§ 1463.4 National assessment.

Annually, CCC will make a determination of a national assessment in as far in advance of when the first assessment is due as CCC determines to be practicable. Based upon the amount of assessments received and expenditures incurred in a calendar year quarter, CCC may adjust the national assessment for one or more classes of tobacco established for a particular year with respect to succeeding calendar year quarters.

§ 1463.5 Division of national assessment among classes of tobacco.

(a) Except as provided in paragraph (b) of this section, the national assessment will be divided by CCC among each class of tobacco based upon CCC's determination of each class's share of the excise taxes paid using for all years the tax rates that applied in fiscal year 2005. The value of the excise taxes paid for each class of tobacco will be based upon the reports filed by domestic manufacturers and importers of tobacco products with the Department of the Treasury and the Department of Homeland Security: