

and likely to be offered to, or purchased by, consumers as tobacco to be smoked in a pipe.

Region. A Bureau of Alcohol, Tobacco and Firearms Region.

Regional Director (compliance). The principal regional official responsible for administering regulations in this part.

Removal or remove. The removal of tobacco products or cigarette papers or tubes from the factory or release from customs custody, including the smuggling of other unlawful importation of such articles into the United States.

Service center. An Internal Revenue Service Center in any of the Internal Revenue regions.

Service center director. A director of an internal revenue service center.

Sets. Any collection, grouping, or packaging of cigarette papers made up by any person for delivery to the consumer as a unit.

Small cigarettes. Cigarettes weighing not more than three pounds per thousand.

Small cigars. Cigars weighing not more than three pounds per thousand.

Smokeless tobacco. Any snuff or chewing tobacco.

Snuff. Any finely cut, ground, or powdered tobacco that is not intended to be smoked.

This chapter. Title 27, Code of Federal Regulations, chapter I (27 CFR chapter I).

Tobacco products. Cigars, cigarettes, smokeless tobacco, and pipe tobacco. The term does not include smoking tobacco that is not suitable for use or likely to be offered to, or purchased by, consumers as tobacco to be smoked in a pipe.

Treasury Account. The Department of the Treasury's General Account at the Federal Reserve Bank of New York.

U.S.C. The United States Code.

Wholesale price. The manufacturer's or importer's suggested delivered price at which the cigars are to be sold to retailers, inclusive of the tax imposed by 26 U.S.C. chapter 52 or section 7652, but exclusive of any State or local taxes imposed on cigars as a commodity, and before any trade, cash, or other discounts, or any promotion, advertising, display, or similar allowances. Where the manufacturer's or importer's sug-

gested delivered price to retailers is not adequately supported by bona fide arm's length sales, or where the manufacturer or importer has no suggested delivered price to retailers, the wholesale price shall be the price for which cigars of comparable retail price are sold to retailers in the ordinary course of trade as determined by the Associate Director (Compliance Operations), as provided in § 270.22(i).

(26 U.S.C. 7805 (68A Stat. 917), 27 U.S.C. 205 (49 Stat. 981 as amended), (82 Stat. 959), and Sec. 38, Arms Export Control Act (90 Stat. 744) Aug. 16, 1954, ch. 736, 68A Stat. 775, as amended (26 U.S.C. 6301); June 29, 1956, ch. 462, 70 Stat. 391 (26 U.S.C. 6301))

[T.D. ATF-48, 43 FR 13553, Mar. 31, 1978; 44 FR 55854, Sept. 28, 1979, as amended by T.D. ATF-77, 46 FR 3007, Jan. 13, 1981; T.D. ATF-232, 51 FR 28080, Aug. 5, 1986; T.D. ATF-289, 54 FR 48839, Nov. 27, 1989; T.D. ATF-384, 61 FR 54085, Oct. 17, 1996]

Subpart C—Taxes

§ 270.21 Cigar tax rates.

(a) On cigars, manufactured in or imported into the United States, the following taxes are imposed by law:

(1) *Cigars removed before January 1, 1991*—(i) *Small cigars.* 75 cents per thousand.

(ii) *Large cigars.* 8.5 percent of the wholesale price, but not more than \$20 per thousand.

(2) *Cigars removed on or after January 1, 1991 and before January 1, 1993*—(i) *Small cigars.* \$0.9375 per thousand.

(ii) *Large cigars.* 10.625 percent of the sale price, but not more than \$25 per thousand.

(3) *Cigars removed on or after January 1, 1993*—(i) *Small cigars.* \$1.125 per thousand.

(ii) *Large cigars.* 12.75 percent of the sale price, but not more than \$30 per thousand.

(b) Cigars not exempt from tax under 26 U.S.C. chapter 52 and the provisions of this part which are removed but not intended for sale are taxed at the same rate as similar cigars removed for sale.

(Sec. 202, Pub. L. 85-859, 72 Stat. 1414, as amended by sec. 2128, Pub. L. 94-455, 90 Stat. 1921 (26 U.S.C. 5701))

[T.D. ATF-80, 46 FR 18309, Mar. 24, 1981, as amended by T.D. ATF-307, 55 FR 52742, Dec. 21, 1990]