

**Subpart G—Puerto Rican Tobacco Products and Cigarette Papers and Tubes, Brought Into the United States**

**§ 275.101 General.**

(a) Tobacco products and cigarette papers and tubes manufactured in Puerto Rico which are brought into the United States and withdrawn for consumption or sale are subject to the tax imposed by 26 U.S.C. 7652(a), at the rates set forth in 26 U.S.C. 5701.

(b) The excise taxes collected on tobacco products and cigarette papers and tubes manufactured in Puerto Rico are covered into the Treasury of Puerto Rico. Tobacco products and cigarette papers and tubes are considered as manufactured in Puerto Rico for purposes of 26 U.S.C. 7652(a)(3) if the sum of the cost or value of the materials produced in Puerto Rico, plus the direct costs of processing operations performed in Puerto Rico, equals or exceeds 50 percent of the value of the product when it is brought into the United States.

(c) The excise tax on tobacco products and cigarette papers and tubes of Puerto Rican manufacture may be prepaid in Puerto Rico prior to shipment of such articles to the United States in accordance with § 275.105. In the case of tobacco products such tax may be paid in Puerto Rico on the basis of a semi-monthly return in accordance with the applicable provisions of this subpart.

(d)(1) Prior to December 16, 1986, cigars and cigarettes may be brought into the United States without payment of excise tax, for transfer to the factory of a manufacturer of tobacco products, under the bond of such manufacturer, in accordance with § 275.135.

(2) Prior to December 16, 1986, cigarette paper and tubes may be brought into the United States without payment of excise tax, for transfer to the factory of a manufacturer or cigarette paper and tubes, or for transfer to a manufacturer of tobacco products solely for use in the manufacture of cigarettes, under the bond of such manufacturer bringing in such articles, in accordance with § 275.135.

(e) Tobacco products and cigarette papers and tubes of Puerto Rican manufacture on which excise tax has not

been paid or computed in Puerto Rico and which are not to be released from customs custody without payment of excise tax, under bond, shall not be withdrawn from customs custody until the excise tax has been paid in accordance with § 275.81.

(68A Stat. 907, as amended, 72 Stat. 1417, 1418, as amended (26 U.S.C. 7652, 5703, 5704))

[T.D. ATF-206, 50 FR 15888, Apr. 23, 1985, as amended by T.D. ATF-232, 51 FR 28085, Aug. 5, 1986; T.D. ATF-243, 52 FR 43194, Dec. 1, 1986; T.D. ATF-246, 52 FR 669, Jan. 8, 1987]

**PREPAYMENT OF TAX IN PUERTO RICO ON TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES**

**§ 275.105 Prepayment of tax.**

To repay, in Puerto Rico, the internal revenue tax imposed by 26 U.S.C. 7652(a), on tobacco products and cigarette paper and tubes of Puerto Rican manufacture which are to be shipped to the United States, the shipper shall file, or cause to be filed, with the Chief, Puerto Rico Operations, a tax return, ATF Form 5000.25, in duplicate, with full remittance of tax which will become due on such tobacco products and cigarette papers and tubes. The Chief, Puerto Rico Operations will present a receipted copy of the return to the person filing the return and paying the tax and retain the original.

(Approved by the Office of Management and Budget under control number 1512-0497)

[T.D. ATF-277, 53 FR 45269, Nov. 9, 1988]

**§ 275.106 Inspection of shipment and certification of prepayment by ATF officer.**

The taxpayer will prepare ATF Form 3075 (5200.9), in quintuplicate, identifying the tobacco products and cigarette papers and tubes released in each shipment, for certification by the ATF officer that the tax has been prepaid. The ATF officer assigned to inspect the shipment shall obtain the receipted copy of the tax return from the taxpayer and verify with ATF Form 3075 (5200.9) that the proper tax has been prepaid. After verification of the tax return with ATF Form 3075 (5200.9), the ATF officer will return the receipted copy of the tax return to the taxpayer. The ATF officer will then present one

copy of ATF Form 3075 (5200.9) to the taxpayer for attachment to the bill of lading to accompany the shipment (in custody of the carrier) for presentation to the district director of customs at the port of entry; promptly mail two copies to the district director of customs at the port of entry; mail one copy to the regional director (compliance) of the region wherein the customs collection headquarters is located; and retain the remaining copy. The ATF officer, will then prepare for each shipping container, a statement on ATF Form 3074 (5200.6) that the tax has been prepaid, and show the other information required by that form. The shipper shall affix the completed ATF Form 3074 (5200.6) to the outside of each shipping container in which the articles are packed. Such statement, ATF Form 3074 (5200.6), shall be affixed to the outside container used in the shipment of freight in bulk (crate, packingbox, van, trailer, etc.) and not on the individual cartons, cases, etc., included in such outer container. Non-commercial mail shipments of tobacco products and cigarette papers and tubes to the United States are exempt from the provisions of this section, except that the ATF officer in Puerto Rico receiving a payment of internal revenue tax on mail shipments of such articles will prepare a certificate to be affixed to the container stating that the United States internal revenue tax has been prepaid on the articles contained therein.

[T.D. ATF-277, 53 FR 45269 Nov. 9, 1988]

**§ 275.107 Procedure at port of entry.**

The district director of customs at the port of entry will inspect the shipment to determine whether the quantity specified on the Form 3075 is contained in the shipment. He will then execute his certificate on the three copies of the Form 3075 in his possession, and indicate on each copy any exceptions found at the time of release. The statement of exceptions shall identify each shipping container which sustained a loss; the tobacco products and cigarette papers and tubes reported shipped in such container; and the tobacco products and cigarette papers and tubes lost from such container. Losses occurring as the result of miss-

ing packages, cases, or shipping containers shall be listed separately from losses caused by damage. Where the statement is made on the basis of tobacco products or cigarette papers or tubes missing or damaged, the district director of customs shall show (a) the numbers of small cigarettes, large cigarettes, and small cigars, (b) the number and total wholesale price of large cigars with a wholesale price of not more than \$235.294 per thousand, (c) the number of large cigars with a wholesale price of more than \$235.294 per thousand, (d) the number of books or sets of cigarette papers of each different numerical content, (e) the number of cigarette tubes, (f) the pounds and ounces of chewing tobacco and snuff, and (g) the pounds and ounces of pipe tobacco.

If the district director of customs finds that the full amount of the tax has not been prepaid, he will require the difference due to be paid to him prior to release of the tobacco products and cigarette papers and tubes. When the inspection of the shipment has been effected, and any additional tax found to be due has been paid to the district director of customs, the shipment may be released.

[T.D. ATF-40, 42 FR 5005, Jan. 26, 1977, as amended by T.D. ATF-232, 51 FR 28085, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-289, 54 FR 48841, Nov. 27, 1989]

**§ 275.108 Disposition of forms by district director of customs.**

One copy of the Form 3075 will be forwarded to the Chief, Puerto Rico Operations, one copy will be furnished the consignee, and one copy of this form will be retained by the district director of customs.

[26 FR 8194, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-251, 52 FR 19340, May 22, 1987]

DEFERRED PAYMENT OF TAX IN PUERTO RICO ON TOBACCO PRODUCTS

**§ 275.109 Bond required for deferred taxpayment.**

Where a manufacturer of tobacco products in Puerto Rico desires to defer payment in Puerto Rico of the internal revenue tax imposed by 26 U.S.C. 7652(a), on tobacco products of Puerto