

Whereas, the purpose of this extension is to bind the obligors for the payment of the tax imposed by 26 U.S.C. 7652(a), on tobacco products and/or cigarette papers and tubes manufactured in Puerto Rico and released in the United States from customs custody without payment of tax, for delivery to the principal on said bond.

Now, therefore, the said bond is further specifically conditioned that the principal named therein shall pay all taxes imposed by 26 U.S.C. 7652(a) (plus penalties, if any, and interest), for which he may become liable with respect to tobacco products and/or cigarette papers and tubes manufactured in Puerto Rico which are released to him in the United States from customs custody without payment of tax thereon, and comply with all provisions of law and regulations with respect thereto.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-48, 44 FR 55855, Sept. 28, 1979; T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

#### § 275.137 Notice of release.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who desires under the provisions of this subpart to obtain the release of Puerto Rican tobacco products and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall prepare a notice of release, Form 3072, in quintuplicate, and file the five copies of the form with the regional director (compliance) for the region wherein the manufacturer is located. The regional director (compliance) will not certify Form 3072 covering the release of tobacco products and cigarette papers and tubes unless the manufacturer is authorized, under part 270 of this chapter, to receive, without payment of tax, the kinds of articles set forth in the form. After certification by the regional director (compliance), the manufacturer shall forward all five copies of the form to the shipper in Puerto Rico. The shipper in Puerto Rico shall execute part I on all copies of the form, forward four copies to the Chief, Puerto Rico Operations, and retain the remaining copy for his records. The ATF officer as-

signed to inspect the tobacco products and cigarette papers and tubes to be shipped, after determining that the shipment has been correctly described in part I, will execute part II on all four copies of the form, and will (a) present one copy to the shipper 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; (b) promptly mail two copies to the district director of customs at the port of entry in the United States; and (c) retain the remaining copy.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-251, 52 FR 19341, May 22, 1987; T.D. ATF-384, 61 FR 54095, Oct. 17, 1996]

#### § 275.138 Action by district director of customs.

The district director of customs at the port of entry will note in part III, on the three copies of the notice of release, Form 3072, in his possession, any exceptions found, showing the numbers and marks on each shipping container from which a loss was sustained, the quantity of tobacco products or cigarette papers or tubes reported shipped in such shipping container, and the quantity of the articles lost. The district director of customs will execute the Notice of Release on each such copy of the form, release the shipment with one copy to the consignee, mail one copy to the regional director (compliance) shown on the form, and retain the remaining copy for his records.

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

#### § 275.139 Records.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who receives tobacco products or cigarette papers or tubes or Puerto Rican manufacture, without payment of internal revenue tax, under his bond, shall keep separate records of all items received, removed subject to tax, removed for tax-exempt purposes,

and otherwise disposed of, showing the following information:

(a) Date, quantity, kind of cigars, cigarettes, smokeless tobacco and pipe tobacco (number of small cigars—large cigars; number of small cigarettes—large cigarettes; pounds and ounces of chewing tobacco—snuff; pounds and ounces of pipe tobacco).

(b) The wholesale price or sale price, as applicable, of large cigars removed subject to tax, except that if the price is more than \$235.294 per thousand, it may be shown as if it were \$236 per thousand.

(c) The date and number of books or sets of cigarette papers of each different numerical content.

(d) The date and number of cigarette tubes.

(Approved by the Office of Management and Budget under control number 1512-0362)

(Sec. 2128(c), Pub. L. 94-455, 90 Stat. 1921 (26 U.S.C. 5741))

[T.D. ATF-80, 46 FR 18311, Mar. 24, 1981, as amended by T.D. ATF-172, 49 FR 14943, Apr. 16, 1984; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-289, 54 FR 48841, Nov. 27, 1989; T.D. ATF-307, 55 FR 52745, Dec. 21, 1990]

#### § 275.140 Taxpayment in the United States.

Every manufacturer of tobacco products in the United States who receives Puerto Rican tobacco products from customs custody, without payment of internal revenue tax, under his bond, and subsequently removes such products, subject to tax, shall pay the tax imposed on such products by 26 U.S.C. 7652(a), at the rates prescribed in 26 U.S.C. 5701, on the basis of a return under the provisions of part 270 of this chapter applicable to the taxpayment of tobacco products. Similarly, every manufacturer of cigarette papers and tubes in the United States who receives Puerto Rican cigarette papers and tubes and subsequently removes such articles, shall pay the tax imposed on such articles by 26 U.S.C. 7652(a), at the rates prescribed in 26 U.S.C. 5701, on the basis of a return under the provisions of part 270 of this chapter applicable to taxpayment of cigarette papers and tubes. Such tobacco products and cigarette papers and tubes shall be separately listed and identified as articles of Puerto Rican manufacture on

the returns, Form 3071 and Form 2137, and the amount of tax paid on such articles shall be separately stated on such forms.

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-48, 44 FR 55855, Sept. 28, 1979; T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-384, 61 FR 54095, Oct. 17, 1996]

#### § 275.141 Reports.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who receives Puerto Rican tobacco products and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall report the receipt and disposition of such tobacco products and cigarette papers and tubes on supplemental monthly reports. Such supplemental reports shall be made on Form 3068 or Form 2138 and shall have inserted thereon the heading, "Cigars and Cigarettes of Puerto Rican Manufacture" or "Cigarette Papers and Tubes of Puerto Rican Manufacture," as the case may be. The original of such supplemental report shall be attached to the manufacturer's regular monthly report when filed.

(72 Stat. 1422; 26 U.S.C. 5722)

[T.D. 6871, 31 FR 46, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975; T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

### Subpart H [Reserved]

#### §§ 275.151-275.153 [Reserved]

### Subpart I—Claims

#### GENERAL

#### § 275.161 Abatement of assessment.

A claim for abatement of the unpaid portion of the assessment of any tax on tobacco products and cigarette papers and tubes, or any liability in respect thereof, may be allowed to the extent that such assessment is excessive in amount, is assessed after expiration of the applicable period of limitation, or is erroneously or illegally assessed. Any claim under this section shall be prepared on Form 2635 (5620.8), in duplicate, and shall set forth the particulars