



Department of the Treasury

Alcohol and Tobacco Tax and Trade Bureau



Press Release

For Immediate Release

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Contact: Tom Hogue (202)453-2180

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Cigarette-making Machines in Retail Establishments

Washington, DC - On September 30, 2010, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued a Ruling (TTB Ruling 2010-4) stating that retail establishments that maintain a commercial cigarette-making machine for use by customers are considered to be manufacturers of tobacco products under the Internal Revenue Code (IRC) and are therefore subject to the permit requirements of the IRC.

Proprietors of such establishments must also obtain a bond and comply with the applicable regulatory recordkeeping, reporting, and inventory requirements. Proprietors are also liable for the payment of tax on the cigarettes produced.

The complete ruling can be found on our web site at; <http://www.ttb.gov/rulings/2010-4rule.pdf>.

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