INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON 25, D. C.

Industry Circular No. 64-10 July 2, 1964

USE OF "RECONSTITUTED TOBACCO"
AS A WRAPPER FOR ROLLS OF TOBACCO

Manufacturers of tobacco products:

Purpose. This circular is to advise you of the provisions of a revenue procedure which will be published in the Internal Revenue Bulletin in the near future and which will supersede Revenue Procedure 64-5, I. R. B. 1964-3, 27.

Background. Because the definitions in section 5702 of the Internal Revenue Code of 1954 distinguish cigarettes from cigars in terms of the kind of wrapper used, i.e., paper or any substance other than tobacco, or tobacco, the revenue procedure will provide that where a manufacturer of tobacco products intends to use "reconstituted tobacco" (also referred to as "homogenized leaf tobacco" and "tobacco sheet") as a wrapper for rolls of tobacco he should, prior to marketing the product, secure an official determination from the Director, Alcohol and Tobacco Tax Division, of the rate of tax applicable to the tobacco product on which the material will be used.

Submission of samples. An adequate sample of the "reconstituted tobacco," consisting of a strip 20 to 30 feet in length, and the name of the company producing the "reconstituted tobacco" should be submitted to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D. C. 20224.

In addition, where the "reconstituted tobacco" is to be used as a wrapper for rolls of tobacco which when finished will weigh not more than three pounds per thousand, a sample of the finished product and either the package or the proposed design of the package showing the mark and notice required by the regulations in 26 CFR Part 270 should also be submitted to the Director, Alcohol and Tobacco Tax Division.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division