



# Manufacturing, Importing, and Exporting Tobacco Products: Applying for a Permit and Reporting Changes

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## Overview

- What you need to know about applying for a permit with TTB
- Changes you should report once you have a permit with TTB
- How to report those changes
- Common problems encountered during the application process

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# What do I need to know about applying for a permit with TTB?



## Federal Laws and Regulations

- **Internal Revenue Code**
  - 26 U.S.C. Chapter 52
- **Title 27 Code of Federal Regulations (CFR)**
  - 27 CFR part 40: Manufacturer of Tobacco Products (TP)
  - 27 CFR part 44: Proprietor of Export Warehouse (EW)
  - 27 CFR part 41: Importer of Tobacco Products (TI)
  - 27 CFR part 40, Subpart K: Manufacturer of Cigarette Papers and Tubes (PT)

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## Products Regulated by TTB

### **Tobacco Products—Definitions 27 CFR 40.11, 41.11, and 44.11**

1. Cigars
2. Cigarettes
3. Smokeless Tobacco
  - a) Snuff
  - b) Chewing Tobacco
4. Roll-your-own (RYO)
5. Pipe Tobacco

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## Where Do I Obtain an Application Packet?

- Application packets are on our Web site, [www.ttb.gov](http://www.ttb.gov)
- Download all information, including the TTB forms
- Review the regulations in 27 CFR that apply to the application you will be filing—available at [www.ttb.gov](http://www.ttb.gov)
- Submit a complete application packet to the National Revenue Center (NRC)
- The NRC cannot process incomplete applications. The application packet may be returned to you due to missing or incomplete information.

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## When Do I Need an Application?

- Applications are filed:
  - To start a new business as a manufacturer of tobacco products, an importer of tobacco products or an export warehouse proprietor
  - For a change in ownership of an existing business (change in proprietorship)
  - For a change in control of an existing business (actual or legal control)
  - To renew permit (for tobacco importers only)

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## Manufacturer of Tobacco Products

- Any person who manufactures cigars, cigarettes, smokeless tobacco, pipe tobacco, or roll-your-own, but does not include:
  1. A person who produces tobacco products for personal use; or
  2. A proprietor of a Customs bonded manufacturing warehouse (Class 6), (where cigars are manufactured of imported tobacco)

27 CFR 40.11

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## Manufacturer of Tobacco Products

- To apply, you must file with the NRC (Cincinnati, Ohio):
  - Application for Permit, TTB F 5200.3
  - Tobacco Bond – Surety, TTB F 5200.26, **OR** Tobacco Bond – Collateral, TTB F 5200.25
  - Personnel Questionnaire, TTB F 5000.9
  - Environmental Information, TTB F 5000.29
  - Supplemental Information on Water Quality, TTB F 5000.30
  - Special Tax Registration and Return, TTB F 5630.5
  - Diagram of factory premises

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## Proprietor of an Export Warehouse

- Defined as any person who operates an export warehouse
- What is an export warehouse?
  - A bonded internal revenue warehouse for the storage of tobacco products and cigarette papers and tubes, upon which the internal revenue tax has not been paid, for subsequent shipment to a foreign country, Puerto Rico (PR), the Virgin Islands (VI) or a possession of the U.S., or for consumption beyond the jurisdiction of the internal revenue laws of the U.S.

27 CFR 44.11

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## Export Warehouse Proprietors

- You must file with the NRC:
  - Application for Permit, TTB F 5200.3
  - Tobacco Bond – Surety, TTB F 5200.26, **OR**  
Tobacco Bond – Collateral, TTB F 5200.25
  - Personnel Questionnaire, TTB F 5000.9
  - Special Tax Registration and Return, TTB F 5630.5
  - Diagram of export warehouse premises (27 CFR 44.88)

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## Importer of Tobacco Products

- Any person in the U.S. to whom non-taxpaid tobacco products or cigarette papers or tubes manufactured in a foreign country, PR, the VI, or a possession of the U.S. are shipped or consigned;
- Any person who removes cigars for sale or consumption in the U.S. from a Customs “bonded manufacturing warehouse;”

27 CFR 41.11

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## Importer of Tobacco Products (Cont'd)

Any person who smuggles or otherwise unlawfully brings tobacco products or cigarette papers or tubes into the U.S.

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## Importer of Tobacco Products

- You must file with the NRC:
  - Application for Permit, TTB F 5230.4
  - Personnel Questionnaire, TTB F 5000.9 (if applicable)
  - A copy of a contract or letter of intent from foreign supplier
  - For importation of trademarked tobacco products, a copy of the contract or written authorization from the owner of the trademarked brand allowing the applicant to import and distribute the brand in the U.S.

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## Importer of Tobacco Products (Cont'd)

- A list of the States into which the applicant is currently distributing tobacco products and a copy of any associated licensing
- A list of the States that have prohibited the applicant or other individuals or businesses listed on the application from conducting tobacco operations within their State

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## Manufacturer of Cigarette Papers and/or Cigarette Tubes

- Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption

27 CFR 40.11

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## Manufacturer of Cigarette Papers & Tubes

- You must file with the NRC:
  - Tobacco Bond – Surety (TTB F 5200.26), **OR** Tobacco Bond – Collateral (TTB F 5200.25)
  - Environmental Information, TTB F 5000.29
  - Supplemental Information on Water Quality, TTB F 5000.30
  - Personnel Questionnaire, TTB F 5000.9
  - Special Tax Registration and Return, TTB F 5630.5

**Note:** Permits are NOT issued to paper and tube manufacturers. When the bond is approved, a number is assigned to the factory of the manufacturer for internal revenue purposes only.

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## Supplemental Information for Applications\*

- **Trade Name Registration** (if required by State or local government)
- **Signing Authority:**
  - Signing Authority for Corporate and LLC Officials, TTB F 5100.1
  - Power of Attorney, TTB F 5000.8
  - Corporate or LLC resolutions or specific notification in the corporate or organizational documents

\*includes paper & tube manufacturers

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## Supplemental Information (Cont'd)

- **Organizational documents if you are filing as a corporation:**
  - Certificate and Articles of Incorporation
  - Copy of Bylaws
  - List of Officers, including their titles, Directors, and Stockholders holding more than 10% of the stock—including the number of shares held

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## Supplemental Information (Cont'd)

- **Organizational documents if your are filing as a Limited Liability Company:**
  - Certificate and Articles of Organization on file with the State
  - Copy of Operating Agreement
  - List of members/managers and their percentage of ownership interest

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## Supplemental Information (Cont'd)

- **If you are filing as a Partnership, you must file:**
  - Copy of the Partnership Agreement—*if* a verbal agreement exists, please provide a written statement to that effect signed by all partners
  - *IF* no single partner has signing authority on behalf of the partnership, all partners must sign each form sent to our office
  - List of the partners and their percentage of ownership
  - Copy of the certificate of partnership when required to be filed by any State, county, or municipality

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## Supplemental Information (Cont'd)

- Statement advising that the premises is covered by the National Historic Preservation Act (if applicable)
- If operating in a State other than the State in which incorporated or organized, you must provide the certificate which allows you to operate in that State as a foreign corporation
- Legible photocopy of the driver's license or official State ID card of the primary contact person who will be interviewed by TTB regarding the application

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## Supplemental Information (Cont'd)

- Source of funds documentation (bank statements)
- If premises leased, a copy of the lease agreement
- If premises owned, verification of ownership (e.g., a copy of a deed)

### **To be filed with the IRS:**

- Application for Employer Identification Number, SS-4

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## What Does the NRC Do With My Application?

- The application is assigned to a Specialist
- The Specialist will contact the applicant to review the forms and discuss the supplemental information
- After this process is complete:
  - A permit may be issued; *OR*
  - The application may be forwarded to the Trade Investigations Division for investigation; *OR*
  - The specialist may recommend disapproval

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## How Long Does Processing Take?

- This depends upon:
  - Completeness of initial application
  - Prompt return of corrections/additions
  - NRC Specialist's workload
  - Investigator's workload

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## Tobacco Importer Permits

- Tobacco Importer Permits renew every three years
- Importers wishing to continue operations must renew their permit by making application:
  1. Within 30 days of expiration date on current approved permit, file TTB F 5230.4, Application For Permit Under 26 U.S.C. Chapter 52 Importer of Tobacco Products; and
  2. Surrender current approved permit.

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27 CFR 41.200 – 41.203



## Problems with Tobacco Importer Renewals

- Changes have occurred without TTB notification
- Monthly reports for all periods are not filed
- Industry member never transacted any business

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## Changes to Report to TTB



















