INDUSTRY CIRCULAR

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

WASHINGTON 25, D. C.

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SHIPMENTS TO REPLACE TOBACCO PRODUCTS
LOST, DAMAGED, OR DESTROYED IN TRANSIT FOR EXPORTATION

Manufacturers of tobacco products:

Purpose. This industry circular is to advise you regarding the preparation and distribution of the notice of removal, Form 2149, covering shipments of tax-exempt tobacco products replacing products previously removed and lost, damaged, or destroyed in transit for exportation.

Background. The regulations in 26 CFR Part 290 provide for the preparation and distribution of the several copies of the notice of removal, Form 2149, and for the filing of two copies of the notice of removal with the collector of customs at the port of exportation.

Where tobacco products are lost, damaged, or destroyed in transit for exportation (either the total shipment or a part of the shipment) and you make a replacement shipment, the two sets of Form 2149 will, in the aggregate, indicate the removal for exportation of more products than are entered on the export declaration and ship's manifest. Since the collector of customs certifies to only the actual quantity exported, the additional Form 2149 covering a replacement shipment often creates confusion and additional work in his office. Therefore, the following procedure should be used when replacement shipments are made.

Preparation and Disposition of Forms 2149 Covering Replacement Shipments. When tax-exempt tobacco products are removed from the factory to replace products previously removed and lost, damaged, or destroyed in transit for exportation, the notice of removal, Form 2149, should be prepared in accordance with the regulations in 26 CFR Part 290. This Form 2149 should contain a statement to the effect that the products listed thereon were removed from the factory to replace products previously removed under Form 2149, serial number ___, which were lost, damaged, or destroyed, as applicable. It would be helpful if the Form 2149 also contained an explanation of the loss, damage, or destruction. Only two copies of the form need be prepared, one copy to be retained by you as a part of your records and one copy to be forwarded to your assistant regional commissioner (alcohol and tobacco tax).

Accounting for Lost, Damaged, or Destroyed Tobacco Products. You are reminded that lost, damaged, or destroyed tobacco products must be accounted for by taxpayment, by return to the factory, or by the filing of a claim for remission of the tax liability with your assistant regional commissioner (alcohol and tobacco tax).

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

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