

May 2008



## NEW TOBACCO LABORATORY

Renewed efforts and focus at TTB in the tobacco program area, including a 2006 notice of proposed rulemaking on the tax classification of tobacco products, has increased the demand for technical support from our program offices in tobacco product classification, rulemaking projects, and the enforcement of tobacco regulations.

As the Bureau division tasked to provide technical support to TTB offices, the Scientific Services Division (SSD) established the Tobacco Laboratory (TL) in January 2008 to ensure that the Bureau addresses the growing needs of this program area. The new Tobacco Laboratory was created by reorganizing the Nonbeverage Products Laboratory, which used to provide the tobacco-related support to TTB program offices.



In its mission statement, the Tobacco Laboratory commits to helping TTB achieve its overall mission by producing “accurate and authoritative information for tobacco products needed by TTB in collecting the revenue.” Fulfilling this commitment requires the chemists assigned to the new lab, Dr. Dawit Bezabeh and John Shifflett, to expand upon their expertise in supporting

TTB programs on tobacco, develop new analytical capabilities, and bring novel technologies to develop the TL into a world-class tobacco laboratory.

As a distinct branch of SSD, the Tobacco Laboratory will focus on staying abreast of the advances in tobacco science as well as the changes in tobacco manufacturing processes. Currently, the laboratory is focused on identifying chemical markers in various tobacco products that will help TTB establish objective criteria for distinguishing between product classes.

The new Tobacco Laboratory is well-equipped to carryout its mission. In the last two years, the laboratory has acquired a segmented flow analyzer, an automated extraction and filtration system to automate the time-consuming tobacco extraction process, a Capillary Electrophoresis-Mass Spectrometer (CE-MS), a Liquid Chromatography Mass Spectrometer (LC/MS), and a Gas Chromatography Mass Spectrometer (GC/MS).

## THIS ISSUE

- New TTB Tobacco Laboratory
- Rule on Removal of Tobacco Products for Law Enforcement Use
- How to File a Disaster Claim

If you have content ideas or questions for the editors please send them to:

Executive Liaison for Industry Matters  
[IndustryLiaison@ttb.gov](mailto:IndustryLiaison@ttb.gov)

State Liaison  
[stateliason@ttb.com](mailto:stateliason@ttb.com)



The Tobacco Laboratory continues to work closely with TTB offices, assisting the Regulations and Rulings Division in providing tax classifications and technical support on tobacco-related rulemakings. The lab also supports the Trade Investigations Division, the Tax Audit Division, and the Trade Analysis and Enforcement Division in their efforts to thwart tax evasion and the illicit tobacco trade.

## **FINAL RULE ADOPTED ON TOBACCO PRODUCTS REMOVED FOR LAW ENFORCEMENT USE**

[Click here to see the Federal Register.](#) [PDF]

## **WHEN DISASTER STRIKES**

### **ATTENTION: MANUFACTURERS OF TOBACCO PRODUCTS:**

Businesses may file claims with the Alcohol and Tobacco Tax and Trade Bureau (TTB) for the payment (refund or allowance of credit) of Federal excise taxes paid on beverage tobacco products lost, rendered unmarketable, or condemned by a duly authorized official under various circumstances, including where the President has declared a major disaster. Where to obtain further information, conditions on claims, and where to file claims, are described below.

#### **Links to further information:**

- For a list of disaster areas recently declared by the President, visit the Federal Emergency Management Agency Web site at <http://www.fema.gov/>.
- Use [TTB Form 5620.8](#) to file a claim.
- Visit the TTB Web site at [http://www.ttb.gov/tax\\_audit/atftaxes.shtml](http://www.ttb.gov/tax_audit/atftaxes.shtml) to view the current Federal alcohol and tobacco excise tax rates.
- Claims are subject to a number of conditions, including:
- You must file your claim with TTB within 6 months from the date of a disaster. If the President declares or determines a major disaster, claims must be filed no later than 6 months from the date the President declared the major disaster.
- Products lost due to theft are not eligible for payment.
- For tobacco products, cigarette papers and tubes, the \$250 minimum claim amount does not apply. Retailer or wholesaler claims can only be filed if the loss is due to a presidentially declared disaster area.
- TTB will not pay claims if your insurance covers the amount of the Federal excise tax paid. For example, if your insurance policy covers the full amount that you paid for destroyed tobacco products, including the amount paid for any excise tax, then you are not eligible to file a claim for those products.
- Your claim must state whether taxes were included in the purchase price of the products. If your claim includes imported products, you must state whether duties were included in the purchase price. Claims for customs duties must be submitted separately to U.S. Customs. Claims for tax on products of Puerto Rico must be filed with the government of Puerto Rico.
- You must prove that you owned the products at the time of the disaster with the intent to sell them.
- If your goods were in transit, you may be eligible for payment if you hold title to those goods. If any portion of your claim includes goods in transit, please include a statement indicating who held title at the time of the disaster.
- TTB will pay claims without interest on an amount equal to taxes paid or determined

on tobacco products lost, made un-merchantable, or condemned by a duly authorized official as a result of fire, flood, or other disaster. Before you destroy any un-merchantable or condemned products, contact TTB and ask if the Bureau wants to witness the destruction.

- 26 U.S.C. 5705 and 5708, for tobacco, are the sections of the Internal Revenue Code which will allow you to file your claim for payment under various circumstances relating to disasters.

Filing your claim:

File your claim(s) using [TTB Form 5620.8 CLAIM — ALCOHOL, TOBACCO AND FIREARMS TAXES](#), and mail the form to the following address:

Alcohol and Tobacco Tax and Trade Bureau  
National Revenue Center  
Room 8002 Federal Office Building  
550 Main Street  
Cincinnati, Ohio 45202

For more information contact:

If you have questions regarding filing a claim or on Federal excise taxes, please call the National Revenue Center at: 1-877-882-3277 or 513-684-3334; or e-mail TTB at [ttbquestions@ttb.treas.gov](mailto:ttbquestions@ttb.treas.gov).

In addition:

When filing a claim, you must provide the following information on TTB Form 5620.8 in Item 10 for losses incurred

- *Tobacco Products and Cigarette Papers and Tubes* — Brand, type of tobacco product, unit of measure, total quantity, tax rate, and total tax. Provide proof that the products were taxed at the rate you are claiming or were removed tax paid during the period that the rate was effective.

**PLEASE NOTE:** Supporting documentation is necessary to process your claim without delay. You must submit on the claim form any evidence or statement made by State or local officials regarding the condition of the property. You must include a copy of your insurance policy with your claim. If your records are lost, you must obtain other supporting documentation that might be available such as copies of invoices from your supplier, copies of inventory records from your accountant, or copies of banking or insurance records.

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