



TIM RUSSELL
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132
July 31, 2009

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

NOTICE

TO: ALL TOBACCO DISTRIBUTORS

SUBJECT: Taxation of Blunt Wraps or Cigar Wraps

There have been inquiries regarding how, or if, cigar wraps or blunt wraps should be taxed for tobacco tax purposes. Blunt wraps are described as “a packaged cigar tube for holding an end users tobacco fill material comprising a sheet of material made of tobacco leaves and or homogenized tobacco paper.” Blunt wraps or cigar wraps are sold to consumers as a wrapper used to make a handmade cigar by filling the wrap with loose cigar or pipe smoking tobacco. According to a Revenue Department legal opinion, blunt wraps and cigar wraps are not subject to state tobacco tax, but are subject to local tobacco tax, if the locality (county and/or city) levies a tax on tobacco papers.

In accordance with this legal opinion, effective September 1, 2009, tobacco tax distributors are required to collect the appropriate local tax on blunt wraps and cigar wraps.

Please ensure that the person responsible for preparing the monthly tobacco tax returns receives this notice. Questions concerning this notice should be directed to the below address or telephone number.

Alabama Department of Revenue
Sales, Use and Business Tax Division
Tobacco Tax Section
P O Box 327555
Montgomery, AL 36132-7555
(334) 242-9627