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Commissioner

State of Alabama Department of Revenue

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

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

NOTICE

TO: ALL TOBACCO DISTRIBUTORS
FROM: Alabama Department of Revenue
Sales, Use and Business Tax Division
Tobacco Tax Section
P O Box 327555
Montgomery, AL 36132-7555
(334) 242-9627
DATE: May 11, 2009
SUBJECT: Little Cigars

It has come to the Department’s attention that some tobacco manufacturers have changed the weight of product previously identified as little cigars which has resulted in those products being reclassified as regular cigars. As a result, little cigars that weigh more than three pounds per thousand are to be taxed as a large cigar based on the retail selling price of the cigar. The cigar rates are as follows:

Cheroots, Stogies, Cigars, etc.

Retail Price	Tax Per M	Tax on Box of 50 Cigars	Tax Per Cigar
3-1/3¢ each or less	\$3.00	\$0.15	\$0.003
Over 3 1/3¢ and not more than 5¢.....	\$6.00	\$0.30	\$0.006
Over 5¢ and not more than 8¢.....	\$9.00	\$0.45	\$0.009
Over 8¢ and not more than 10¢.....	\$15.00	\$0.75	\$0.015
Over 10¢ and not more than 20¢.....	\$30.00	\$1.50	\$0.030
Over 20¢.....	\$40.50	\$2.025	\$0.0405

Little Cigars

Little Cigars not weighing over three pounds per thousand:
\$0.04 for each ten cigars or fractional part thereof.

Distributors are advised to examine their inventory of cigars and tax them at the correct rate based on the current classification of the products.

Please ensure that the person responsible for submitting the monthly returns receives this notice. Questions concerning this notice should be directed to the above address or telephone number.