



TO: Tobacco Licensees

DATE: September 30, 2016

SUBJECT: Roll-Your-Own Tobacco Floor Tax, Act 84 of 2016

ROLL-YOUR-OWN TOBACCO FLOOR TAX BULLETIN 16-05

On July 13, 2016, Governor Tom Wolf signed into law Act 84 of 2016, which imposed a Tobacco Products Tax on smokeless tobacco, roll-your-own tobacco (RYO), pipe tobacco, and e-cigarettes including the products and substances that go into the e-cigarettes. On October 15, 2016, the Office of Attorney General published in the Pennsylvania Bulletin a notice of consent of the RYO tax from tobacco manufacturers who participate in the Tobacco Master Settlement Agreement. Therefore, effective December 14, 2016, RYO tobacco products 1.2 ounces and greater will be taxed at the rate of \$0.55 per ounce and RYO weighing less than 1.2 ounces per container shall be taxed a minimum of \$0.66 per package.

Definition of Roll-Your-Own

The definition of roll-your-own includes any tobacco which, because of the tobacco's appearance, type, packaging or labeling, is suitable for use and is likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. Please note, pipe tobacco is not considered RYO.

Roll-Your Own Floor Tax

All retailers and vending machine operators will be required to pay a floor tax on RYO tobacco products on-hand as of 12:01 a.m. December 14, 2016. Every retailer and vending machine operator must file a floor tax return even if no RYO products are in inventory. The floor tax return and payment may be filed any time after December 14, 2016, but no later than March 14, 2017.

Roll-your own products documented as "in transit" as of December 14, 2016, will be deemed the property of the receiver. The receiver shall file a return and pay the floor tax by March 14, 2017.

Additional information on tobacco products and forms can be found on the department's website at www.revenue.pa.gov or by calling the Miscellaneous Tax Section at 717-783-9374.