

Change in the Method of Calculating the Tobacco Products Tax on Snuff

Part QQ-1 of Chapter 57 of the Laws of 2008 has amended Article 20 of the Tax Law to change the method of calculating the tobacco products tax on snuff. Effective July 1, 2008, the tax on snuff will be calculated based on its weight in ounces rather than its wholesale price.

To implement this change, Form MT-203, *Distributor of Tobacco Products Tax Return* is being revised to add a new computation for the tax on snuff. Additionally, the current schedules on Form MT-203 are being replaced by new Form MT-203-S, *Distributor of Tobacco Products Information Schedules*, to report purchases, transfers, and sales of tobacco products and snuff separately. The revised Form MT-203 and new Form MT-203-S must be used beginning with the return for the month of July 2008, due August 20, 2008.

Definition of snuff

Snuff means any finely cut, ground, or powdered tobacco that is not intended to be smoked. Snuff includes both moist and dry snuff, but does not include chewing tobaccos such as plug or twist tobacco. Snuff also does not include compressed powder tobacco lozenges.

Calculation of tax

For snuff imported or caused to be imported into New York State or manufactured in New York State on or after July 1, 2008, the tobacco products tax on snuff will be computed at the rate of 96 cents (\$0.96) per ounce, and a proportionate rate on any fractional parts of an ounce. However, cans or packages of snuff with a net weight of less than one ounce, as listed by the manufacturer, will be taxed at 96 cents (\$0.96) per container.

Cigars and tobacco products other than snuff continue to be taxed at a rate of 37% of the wholesale price. Snuff in inventory that was imported or caused to be imported into or manufactured in New York State prior to July 1, 2008, and taxed at 37% of the wholesale price, does not have to be recomputed at the new rate.

Need forms?

The revised Form MT-203 and new Form MT-203-S will be mailed to all appointed distributors prior to July 1, 2008, and prior to subsequent filing periods. A distributor who does not receive the form may obtain one on our Web site at www.nystax.gov or by calling 1 800 462-8100.

NOTE: A TSB-M is an informational statement of changes to the law, regulations, or Department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in Department policies could affect the validity of the information presented in a TSB-M.