

New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301

TECHNICAL INFORMATION RELEASE
TIR 2013-003 Date July 19, 2013

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Tax Services at (603) 230-5920.

Tobacco Tax Rate Increase

Effective August 1, 2013, (Chp. 224:379 through :381, Laws of 2011) the tobacco tax rates will increase as follows:

- The tax rate for each pack containing 20 cigarettes is increased from \$1.68 to **\$1.78** per pack – a 10¢ increase.
- The tax rate for each pack containing 25 cigarettes is increased from \$2.10 to **\$2.23** per pack – a 13¢ increase.
- The tax rate for all other tobacco products (OTP), except premium cigars, is increased from 48% to **65.03%** of the wholesale sales price.

The above increase in the tobacco tax rates did not include a “Floor Tax.” Therefore, tobacco licensees will not be responsible for inventorying all unaffixed tobacco stamps and all stamped tobacco products in their possession at the close of business on July 31, 2013 and will not be required to file a tax return reporting any additional tobacco tax due.

Reminder of passage of House Bill 488: roll-your-own tobacco (RYO) is now included within the term “cigarette.” As such, the tax rate for RYO, which was taxed at the rate for OTP, will now be taxed at the cigarette rate. Also, the definition of “cigarette” no longer contains a weight criterion. Therefore, certain tobacco products that did not previously meet the definition of a “cigarette” only because the product weighed more than 3 pounds per thousand, will now qualify as a “cigarette” under RSA 78:1, XVII and must be properly stamped as a cigarette. For further information, please refer to the updated Technical Information Release #2013-002 issued on July 19, 2013.

The tobacco tax does not apply to “Premium Cigars,” which are defined under RSA 78:1, XXI, as cigars that are made entirely by hand of all natural tobacco leaf, hand constructed and hand wrapped, wholesaling for \$2.00 or more, weighing more than 3 pounds per 1,000 cigars, and kept in a humidor at the proper humidity.

The NH Department of Revenue Administration Form DP-151, “Wholesalers’ Smokeless Tobacco Tax Return” is being updated for the August filing. Tobacco forms can be obtained either on-line at www.nh.gov/revenue/forms or by calling our Forms Line at (603) 230-5001.

Individuals who need auxiliary aids for effective communication in programs and services of the N.H. Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.