

**Reporting Requirements for Distributors of Tobacco Products  
that Import or Manufacture Roll-Your-Own Cigarette Tobacco**

**Amendment to the Public Health Law**

On July 26, 2006, Governor Pataki signed Chapter 272 of the Laws of 2006. Chapter 272 amends Article 13-G of the Public Health Law, the Tobacco Escrow Funds Act, which relates to the enforcement of the tobacco Master Settlement Agreement (MSA). Specifically, the amendment requires that non-participating manufacturers (NPMs), as defined in the MSA, include units of roll-your-own (RYO) cigarettes sold in New York State in their annual escrow payments.

The amendment takes effect on January 1, 2007. Therefore, NPMs will be required to include units of RYO cigarettes in the calculation of the escrow payment due in April 2008 based on New York sales from January 1, 2007, through December 31, 2007.

**Definition**

Section 1399-oo(4) of the Public Health Law provides that the term *cigarette* includes roll-your-own. *Roll-your-own* means any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. For the purposes of this definition, 0.09 ounces of RYO tobacco will constitute one individual cigarette.

**Reporting requirements for distributors of tobacco products**

Section 1399-oo(10) of the Public Health Law requires that the Tax Department provide certain information to the New York State Attorney General necessary for the administration and enforcement of the Tobacco Escrow Funds Act. This information includes the identity of the applicable tobacco product manufacturer, the number and brand names of the cigarettes sold in the state, the identity of the person who paid the excise tax, and all other available information relating to the cigarettes. For standard packs of cigarettes, this information is collected and reported by cigarette stamping agents on an attachment to their monthly cigarette tax reports. However, since RYO cigarette tobacco is included as a tobacco product on Form MT-203, *Distributor of Tobacco Products Tax Return*, this type of information will now be collected and reported by distributors of tobacco products.

Accordingly, beginning with the return for January 2007 (due February 20, 2007), distributors must complete and attach Form MT-203-ATT, *Information on Roll-Your-Own Cigarette Tobacco Manufactured or Imported by a Distributor*, to their monthly return (Form MT-203, *Distributor of Tobacco Products Tax Return*). In order to account for all RYO cigarette tobacco entering New York State, Form MT-203-ATT should include all RYO cigarette

tobacco that the distributor manufactured in New York State, or imported or caused to be imported into New York State. To prevent duplication, distributors should not include RYO cigarette tobacco purchased from another distributor within New York State on Form MT-203-ATT. If a distributor does not manufacture, import or cause to be imported RYO cigarette tobacco for a particular month, then Form MT-203-ATT does not have to be filed for that month.

Form MT-203-ATT will be mailed to all distributors each month along with Form MT-203. These forms and instructions may also be downloaded from our Web site at [www.nystax.gov](http://www.nystax.gov). They are also available by fax at 1 800 748-FORM (3676), or you can call 1 800 462-8100 to receive a copy by mail.