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## Little Cigars

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### Introduction

Little cigars are tobacco products subject to the tobacco products tax that are taxed at the same rate as cigarettes rather than the rate for other cigars. This bulletin explains what a little cigar is and provides guidance distinguishing little cigars from other cigars.

### Definition of little cigars

Under the Tax Law, a *cigar* is any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco.

A *little cigar* is a cigar that has **all** the following characteristics:

- it is a roll for smoking made with any amount of tobacco;
- the cigar wrapper contains some amount or form of tobacco (such as homogenized tobacco leaf), but is **not** natural leaf tobacco; and
- the product must either:

weigh 4 pounds or less per 1,000 cigars<sup>1</sup>

**or**

have a filter made of cellulose acetate (i.e., a cigarette-type filter) or any other integrated filter.

### Determining the type of cigar wrapper

If a cigar is wrapped with a natural leaf tobacco wrapper, it is **not** considered a little cigar. A natural leaf tobacco wrapper is any wrapper made from one or more natural tobacco leaves. Natural leaf tobacco wrappers can be used for both hand rolled and machine made cigars.

A cigar wrapped in any substance containing tobacco, **other than** natural leaf tobacco, **may** be considered a little cigar if it meets the other requirements for weight and filters as defined above.

An example of a substance commonly used to wrap cigars that contains tobacco but is **not** natural leaf tobacco is homogenized tobacco leaf. This product is made from tobacco scraps that are pulverized, mixed with other products, and rolled into sheets that can be used to wrap cigars.

### Weight

When determining weight for classification purposes, only the weight of the cigar is considered. If the cigar has a filter, it is included in the weight. The weight of the packaging is not included.

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<sup>1</sup> This differs from the federal weight requirement for little cigars, which is 3 pounds or less per 1,000 cigars.

**Tax rate**

Little cigars are taxed at the same rate as cigarettes:

- \$4.35 for each 20 little cigars, and
- \$1.0875 for each additional five little cigars or fraction thereof

This differs from the tax on cigars, which is 75% of the wholesale price.

For more information on computing the tax on little cigars, see [TSB-M-10\(14\)M](#), *Simplified Computation for Tax on Little Cigars*.

**Note:** Unlike cigarettes, little cigars are **not** subject to a separate New York City tax (\$1.50 per pack of 20). However, under packaging and minimum pricing requirements, little cigars sold in New York City must be sold in packs of at least 20 for at least \$10.50 per pack.

**Quick reference chart: cigar vs. little cigar**

If the wrapper is <b>natural leaf tobacco</b> , the product is classified as a <b>cigar</b> .		
If the wrapper is homogenized tobacco leaf, or any other substance containing tobacco that is <b>not natural leaf tobacco</b> , use the following chart to determine the appropriate classification under the Tax Law:		
<b>Weight of 1,000 cigars</b>	<b>Filter</b>	<b>Tax classification</b>
4 pounds or less	<b>May or may not</b> have a filter	<b>Little Cigar</b>
More than 4 pounds	<b>Has</b> a filter made of cellulose acetate or any other integrated filter	<b>Little Cigar</b>
More than 4 pounds	Does <b>not</b> have a filter	<b>Cigar</b>

The Tax Department may request product information from manufacturers of tobacco products to assist in properly classifying products as little cigars or cigars.

**Examples**

*Example 1: A distributor of tobacco products imports 1,000 cigars into New York and needs to classify the cigars in order to determine how much tax is due. The cigars weigh 4.25 pounds per thousand, are wrapped with homogenized tobacco leaf wrappers, and have cellulose acetate filters.*

*These cigars **are** considered little cigars under the Tax Law because even though they do not meet the New York weight requirement, the wrapper contains tobacco (but is not a natural leaf tobacco wrapper) and the cigar has a cellulose acetate filter. These cigars are taxed at the tax rate for little cigars.*

*Example 2: A distributor of tobacco products imports 1,000 cigars into New York and needs to classify the cigars in order to determine how much tax is due. The cigars weigh 3.26 pounds per thousand, are wrapped in tobacco based paper and have no filter.*

*These cigars **are** considered little cigars under the Tax Law because they meet the New York weight requirement and the wrapper contains tobacco (but is not a natural leaf tobacco wrapper). They do not need a filter to meet the little cigar classification*

*because they meet the weight requirement. These cigars are taxed at the tax rate for little cigars.*

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

#### **References and other useful information**

**Tax Law:** Section 470.2-b and 471-b(1)(c)

**Memoranda:**

[TSB-M-10\(4\)M](#), *Amendments to Definitions and Tax Rates for Tobacco Products*

[TSB-M-10\(10\)M](#), *Amended Definition of Little Cigar*

[TSB-M-10\(14\)M](#), *Simplified Computation for Tax on Little Cigars*