

Commonwealth of Puerto Rico  
Department of the Treasury  
Internal Revenue Area  
General Excise Taxes Bureau



Reporting Form for Cigarettes Sales of Non-Participating Manufacturer Brands

Reporting Year: \_\_\_\_\_

Please provide the following information with respect to cigarettes (including "roll-your-own") that were made by a Non-Participating Manufacturer (NPM) and that were stamped for sale within Puerto Rico\*  
 Your Business Name and Address: \_\_\_\_\_  
 Your Taxpayer ID No: \_\_\_\_\_  
 Contact person: \_\_\_\_\_ Telephone: \_\_\_\_\_

Brand Name (a)	No. of Cigarettes Sold Within Puerto Rico (b)	Ounces of Roll-Your-Own Tobacco Sold Within Puerto Rico (c)	Non-Participating Manufacturer Name and Address (If Known) (d)	Name and Address of the Person(s) From Whom Each Brand Was Purchased (e)	Name and Address of the First Importer or Foreign Manufactured Brand (If Known) (f)		
Name and Address of Escrow Agent (g)			Total Units Sold _____	Certify that the stated information is true and correct:  _____ Signature			
			Tariff x \$ _____				
			Amount deposited or to be deposited in escrow account \$ _____			_____ Date	

## Instructions for Reporting Form for Cigarette Sales of Non-Participating Manufacturer Brands

In accordance with Law No. 401 of September 9, 2000, as amended, the “Departamento de Hacienda” is required to ascertain the amount of Puerto Rico excise tax paid on cigarettes (“arbitrios de cigarillos”) and roll-your-own tobacco sold by the Tobacco Product Manufacturers, which are not signatory to the Master Settlement Agreement (“MSA”) (“Non-Participating Manufacturers”), in Puerto Rico for each year.

Complete this form and submit this form if you are a Tobacco Product Manufacturer, as defined below, which does not participate in the MSA.

According to Law No. 401 of 2000, as amended, a tobacco product manufacturer is an entity that after the date of enactment of Law 401 of 2000, directly (and not exclusively through any affiliate):

- Manufactures cigarettes anywhere that you intend to be sold in the United States (including Puerto Rico), including cigarettes intended to be sold through an importer, except where such importer is an original participating manufacturer (as that term is defined in the MSA) that will be responsible for payments under the MSA with respect to cigarettes as a result of provisions of subsection II(mm) of the MSA and that pays taxes specified in subsection II(z) of the MSA, and provided that the manufacturer of such cigarettes does not market or advertise such cigarettes in the United States (including Puerto Rico).
- Is the first purchaser anywhere for resale in the United States (including Puerto Rico) of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States (including Puerto Rico).
- Or becomes a successor of an entity described hereinbefore.

**Definitions**

“**Cigarette**” means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains: (1) any roll of tobacco wrapped in paper or in any substance not containing tobacco; or (ii) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or (iii) any roll of tobacco wrapped in any substance containing tobacco, which, because of its appearance, the type of tobacco used in the filler or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in clause (1) of this definition. The term “cigarette” includes “roll-your-own tobacco” (i.e., 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 purposes of this definition of “cigarette,” 0.09 ounces of “roll-your-own” tobacco constitutes one individual “cigarette.” See Law No. 401 of 2000, as amended.

“**Escrow Agent**” means a federally or local chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least one billion dollars (\$1,000,000,000) with whom the Non-Participating Manufacturer subscribes an escrow arrangement that requires that such financial institution holds the escrowed funds principal for the benefit of releasing parties and prohibits the tobacco product manufacturer placing the funds into escrow from using, accesing, or directing the use of the funds principal except as consistent with certain circumstances described in Law No. 401 of 2000, as amended.

“**Master Settlement Agreement**” means the agreement subscribed between certain cigarette manufacturers and the Government of the Commonwealth of Puerto Rico on November 23, 1998.

“**Non-participating manufacturer**” (“NPM”) means any tobacco product manufacturer who is not a Participating Manufacturer (signatory) to the MSA. A tobacco product manufacturer cases to be a non-participating manufacturer upon entering into the Master Settlement Agreement. A list of Participating Manufacturers and their brands is enclosed. The same list is also maintained and updated at the National Association of Attorneys General (NAAG) website, www.naaq.org. See Law No. 401 of 2000, as amended.

**Instructions for Completing the Reporting Form**

This report must be completed for every cigarette brand (i) that is stamped for sale within Puerto Rico and (ii) that is not on the list of Participating Manufacturer brands noted above.

**Column a:** Enter the full brand name of the product sold (do not abbreviate). Do not break down into sub-categories, such as regular, menthol, light, etc. For example, for a cigarette named “Alpha Bravo Gold Menthol Lights”, report only “Alpha Bravo Gold”.

**Column b:** Enter the number of individual NPM cigarettes sold annually in Puerto Rico in packages bearing the excise tax stamp of the Commonwealth of Puerto Rico. List only cigarettes contained in packages to which you affixed the excise stamp of the Commonwealth of Puerto Rico. Do not list cigarettes that were purchased with the tax stamp already affixed.

**Column c:** Enter number of ounces of NPM-roll-your own tobacco sold in Puerto Rico.

**Column d:** Enter the name and address of the Non-Participating Manufacturer of the brand.

**Column e:** Enter the name and address of the person from whom each brand was purchased if different from the person identified in Column d.

**Column f:** Enter the name and address of the importer of the brand.

**Column g:** Enter the name and address of the escrow agent with whom you have subscribed an escrow arrangement, pursuant to Law No. 401 of 2000, as amended, for the reporting year.

Enter the total number of cigarettes sold for the year. Enter the tariff per unit sold according to the following:

2000	\$0.0104712 per unit sold after the the date of effectiveness of Law No. 401 de 2000 (September 9, 2000)
2001	\$0.0136125 per unit sold
2002	\$0.0136125 per unit sold
2003	\$0.0167539 per unit sold
2004	\$0.0167539 per unit sold
2005	\$0.0167539 per unit sold
2006	\$0.0167539 per unit sold
2007 and for each subsequent year	\$0.0188482 per unit sold

Enter the amount deposited or to be deposited in the escrow arrangement (account) with the escrow agent for the reporting year. See Law No. 401 of 2000, as amended.

**Preparation of Schedule**

- Enter your business name and address as they appear on your license. Also enter your **taxpayer ID Number (EIN)** and the name and telephone number of an individual able to answer questions about your report.
- If more space is required you may copy this form.
- Submit the completed form by **February 15, 2002** for the reporting year 2000, and by April 15 of the year following the year in question for the subsequent years. Each report must be signed by an individual authorized to speak for your business.
- Please complete this schedule in full and mail to:

Hon. Juan Flores Galarza  
Secretario de Hacienda  
Att: CPA Etienne Durand Henríquez  
Director  
Negociado de Arbitrios  
**P.O. Box 50067**  
San Juan, Puerto Rico 00902-6267