

**RULES
OF THE
TENNESSEE DEPARTMENT OF REVENUE
RULES AND REGULATIONS GOVERNING TOBACCO PRODUCT MANUFACTURERS AND
WHOLESALE**

**CHAPTER 1320-9-1
GENERAL PROVISIONS**

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1320-9-1-.01 GENERAL PROVISIONS.

- (1) This chapter is adopted under the legal authority of Tenn. Code Ann. § 1-3-104, § 4-4-103, §§ 4-5-201 et seq., § 47-31-102(10), § 67-1-102(a), § 67-4-2604(e) and § 2606(d).
- (2) The title of this chapter is “Rules and Regulations Governing Tobacco Product Manufacturers and Wholesalers.”
- (3) The purpose of these rules and regulations is to promote compliance with Tenn. Code Ann. §§ 67-4-2601, et seq., and Tenn. Code Ann. §§ 47-31-101 et seq. and to promote the public health of Tennessee citizens as follows:
 - (a) By requiring quarterly escrow deposits and quarterly escrow certificates;
 - (b) To ensure compliance with Tenn. Code Ann. §§ 47-31-101 et seq.;
- (4) This chapter has the following scope and limits:
 - (a) These rules and regulations govern compliance with Tennessee’s Directory Statute, Tenn. Code Ann. §§ 67-4-2601 et seq., and compliance with the Tennessee Escrow Fund Act, §§ 47-31-101 et seq.;
 - (b) These rules and regulations do not affect, implement or govern the enforcement or application of any tax statute, rule or regulation, except as specifically set forth herein. This limitation includes, but is not limited to, the treatment of cigarettes which may be contraband under other tax statutes.

Authority: T.C.A. § 4-4-103, §§ 4-5-201 et seq., § 47-31-102(10), § 67-1-102(a), § 67-4-2604(e) and § 2606(d). **Administrative History:** Original Rule filed January 31, 2008; effective May 30, 2008.

1320-9-1-.02 DEFINITIONS.

- (1) As used in this Chapter, the following terms shall have these meanings:
 - (a) Attorney General. The Office of the Tennessee Attorney General, including, but not limited to, any attorney working on behalf of the Attorney General.
 - (b) Cigarette. Defined in Tenn. Code Ann. § 47-31-102(4) as amended. The term Cigarette includes RYO (roll-your-own) tobacco (0.09 ounces of which

(Rule 1320-9-1-.02, continued)

constitutes one individual Cigarette) and those Cigarettes that, despite being sold as little cigars, meet the definition of Cigarette set forth in Tenn. Code Ann. § 47-31-102(4) as amended. Under Tenn. Code Ann. § 47-31-102(4) Cigarette also means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains the following:

1. Any roll of tobacco paper wrapped in paper or in any substance not containing tobacco;
 2. Tobacco, in any form, that is functional in the product, and which, either 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
 3. 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, as described in Tenn. Code Ann. § 47-31-102(4)(A)(i) as amended.
- (c) Commissioner. The Commissioner of Revenue, including, but not limited to, any employee working on behalf of the Commissioner.
- (d) Certificate. The State's current, official form found at the Attorney General's website required for filing under the Escrow Fund Act and/or these rules.
- (e) Directory or State Directory. The Directory of compliant Tobacco Product Manufacturers and Brands, as provided for by Tenn. Code Ann. § 67-4-2602(b) as amended and any rules and regulations promulgated thereunder.
- (f) Escrow Fund Act or Tennessee Escrow Fund Act. The Tennessee Tobacco Manufacturers' Escrow Fund Act of 1999, Tenn. Code Ann. §§ 47-31-101, et seq. as amended and any rules and regulations promulgated thereunder.
- (e) Non-Participating Manufacturer or NPM. Any tobacco product manufacturer that is not a Participating Manufacturer.
- (h) Units Sold. Defined by Tenn. Code. Ann § 47-31-102 (10). Units sold means the number of individual cigarettes sold in the State by the applicable tobacco product manufacturer, whether directly or through a distributor, retailer or similar intermediary or intermediaries, during the year in question, as measured by excise taxes collected by the State on packs or "roll-your-own" tobacco containers bearing the excise tax stamp of the State.

Authority: T.C.A. § 4-4-103, § 47-31-102(10), § 67-1-102(a), § 67-4-2604(e) and § 2606(d).

Administrative History: Original Rule filed January 31, 2008; effective May 30, 2008.

1320-9-1-.03 CITATION.

The official citation of this chapter is Tenn. Comp. R. & Regs. Chapter 1320-9, et seq.

Authority: T.C.A. § 4-4-103, § 47-31-102(10), § 67-1-102(a) § 67-4-2604(e) and § 2606(d).

Administrative History: Original Rule filed January 31, 2008; effective May 30, 2008.

1320-9-1-.04 THROUGH 1320-9-1-.09 RESERVED