



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

March 1, 2011

## **NOTICE REGARDING CIGARETTE ROLLING MACHINES**

This Notice is to inform you that the operation of a machine that is loaded with loose tobacco and rolling tubes for the purpose of producing cigarettes constitutes “cigarette manufacturing” in Michigan. Anyone possessing, operating, or permitting others to operate such a machine is considered a “manufacturer” of tobacco products in Michigan and therefore must obtain a “manufacturer” license under the Michigan Tobacco Products Tax Act (MCL 205.421 et. seq.). Exempt from this requirement would be those who meet the exception for self-consumption under federal law.

Additionally, a person considered a “manufacturer,” as described above, would be a “non-participating manufacturer” under MCL 205.426 and would be required to establish and fund a qualified escrow account, pre-pay an equity assessment fee, submit to the Michigan Department of Treasury a certification of compliance, and provide copies of the certification of compliance to the Michigan Attorney General. Failure to comply with any of these statutory requirements can lead to criminal and civil penalties, including revocation of any existing licenses.

You should also be aware that it is a violation of Michigan law to sell cigarettes that do not have a tax stamp affixed. Retailers who sell cigarettes without a tax stamp will be subject to penalty and seizure provisions within the Michigan Tobacco Products Tax Act.

If you have any questions regarding this Notice, please contact the Department of Treasury Tobacco Tax Unit at (517) 636-4630.