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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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NOTICE OF REDUCED TOBACCO TAX RATES FOR MODIFIED RISK TOBACCO PRODUCTS

Under Section 7 of the Tobacco Products Tax Act, MCL 205.427, tobacco products receiving “modified risk” orders from the United States Food and Drug Administration (“FDA”) are eligible for **reductions** in the TPTA tax rate of 50% (for FDA orders issued under 21 USC §387k(g)(1)) or 25% (for FDA orders issued under 21 USC §387k(g)(2)), respectively.

A rate reduction is **not** effective for a particular tobacco product unless the manufacturer has notified the Department of the FDA order by filing *Tobacco Tax Notification of Modified Risk Order* (Form 5848) and has complied with the applicable conditions under MCL 205.427(2)-(4).

The Department has received notice from the following tobacco product manufacturers that their tobacco products have received modified risk orders issued by the FDA. The chart below reflects the tobacco products eligible for such rate reductions, the reduced TPTA rate, and the effective (and expiration) dates of the reduced TPTA rate for these products:

Manufacturer	Product Category	Product (Brand) Name	Reduced Tax Rate	Reduced Tax Rate (Effective Date)	Reduced Tax Rate (Expiration Date)	Brand Code
NASCO Products LLC	Cigarette	VLN King	\$1.50/pack	3/1/2023	1/22/2026	CIGM2
NASCO Products LLC	Cigarette	VLN Menthol King	\$1.50/pack	3/1/2023	1/22/2026	CIGM2
Swedish Match North America	Smokeless Tobacco	General Portion White Large (General SNUS White)	16% of the wholesale price	3/1/2023	10/22/2024	OTPM1
Swedish Match North America	Smokeless Tobacco	General Mint Portion White Large (General SNUS Mint)	16% of the wholesale price	3/1/2023	10/22/2024	OTPM1
Swedish Match North America	Smokeless Tobacco	General Portion Original Large (General SNUS Original)	16% of the wholesale price	3/1/2023	10/22/2024	OTPM1
Swedish Match North America	Smokeless Tobacco	General Wintergreen Portion White Large (General SNUS Wintergreen)	16% of the wholesale price	3/1/2023	10/22/2024	OTPM1

If you have questions regarding this notice, contact the Tobacco Tax Unit at 517-636-4630.