



FOR IMMEDIATE RELEASE

For more information, contact:

Mike Gowrylow

(360) 534-1610

Cigarette tax due on cigarettes manufactured by commercial roll-your-own machines beginning July 1

OLYMPIA – June 29, 2012 – Retailers operating machines that allow their customers to roll their own cigarettes must begin affixing cigarette tax stamps to those products beginning July 1.

Although a Franklin County Superior Court judge issued a preliminary injunction earlier this week barring the state from collecting the tax, it was contingent on the plaintiffs filing a \$200,000 bond to protect the state's interest should the state ultimately prevail.

The plaintiffs stated in a brief to the Supreme Court today that they do not intend to post the bond at this time due to pending federal legislation that would define the operators of roll-your-own cigarette machines as manufacturers requiring federal permits.

The plaintiffs reserved the right to post bond at a later date, which would trigger the injunction unless the Supreme Court issues a stay to the injunction that the state requested on Thursday.

At issue is legislation that the state contends simply provides a more effective enforcement mechanism to prevent evasion of taxes that are already due on all cigarettes. The plaintiffs in the case contend it is a new tax subject to a two-thirds vote of the Legislature under Initiative 1053.

More information on the issue is available at <http://dor.wa.gov/RYO>.

###