

Tobacco products

Article 46

Tobacco products on which excise tax is paid are cigarettes, cigars and cigarillos, finely shredded tobacco (for rolling cigarettes) and other smoking tobacco.

Cigarettes

Article 47

- (1) Cigarettes are:
- 1) rolls of tobacco, that can be used for smoking the way they are, and are not classified as cigars and cigarillos in this law;
 - 2) rolls of tobacco which, by simple non-industrial handling, are inserted into cigarette paper tubes; or
 - 3) rolls of tobacco which, by simple non-industrial handling, are wrapped in cigarette paper.
- (2) Roll of tobacco referred to in paragraph 1 of this Article is one cigarette the length of which, excluding filter or mouthpiece, is up to 9 cm; two cigarettes that are longer than 9 cm but shorter than 18 cm without filters or mouthpiece; three cigarettes that are longer than 18 cm but shorter than 27 cm without filters or mouthpiece, and so forth.
- (3) Cigarettes are also products that are totally or partially produced from tobacco substitutes fulfilling the conditions referred to in paragraph 1 of this Article, except for those products that are used only for health purposes.

Cigars and cigarillos

Article 48

- (1) Cigars and cigarillos are tobacco rolls, that can be smoked as they are if they are:
- 1) made entirely from natural tobacco;
 - 2) with an outer wrapper of natural tobacco;
 - 3) with an outer wrapper of the normal color of tobacco, and a binder of reconstituted tobacco, where at least 60% by weight of the tobacco particles are both wider and than 1.75mm and where the wrapper is fitted in spiral form with an acute angle of at least 30° to the longitudinal axis of the cigar; or
 - 4) with an outer wrapper, of the normal color of tobacco, of reconstituted tobacco, where the unit weights, not including filter or mouthpiece, is not less than 2.3 grams and if at least 60% by weight of tobacco particles are wider and longer than 1.65mm and the circumference over at least one third of the length is not less than 34 mm.

(2) Cigars and cigarillos are also products that are totally or partially produced from tobacco substitutes and are fulfilling the conditions referred to in paragraph 1 of this article, except for the products that are used only in medical purposes, on condition that they have respectively:

- 1) a wrapper of natural tobacco or reconstituted tobacco and
- 2) a wrapper and binder of tobacco, both of reconstituted tobacco.

Smoking tobacco

Article 49

(1) Tobacco for smoking is:

- 1) tobacco that is cut or otherwise split, twisted or pressed into blocks and is capable of being smoked without further industrial processing;
- 2) tobacco refuses put up for retail sale that does not fall under Articles 47 and 48 of this law.

(2) Smoking tobacco shall be also considered products that are totally or partially produced from tobacco substitutes and fulfill all conditions referred to in paragraph 1 of this article excluding products that are used exclusively in health purposes.

(3) Smoking tobacco shall be also considered fine-cut tobacco for rolling cigarettes in which more than 25% of tobacco particles with respect to weight have shorter and narrower than 1,4 mm.

Excise tax base, rate and amount of excise tax

Article 50

(1) Excise tax base for tobacco products is 1000 pieces and retail price or one kilogram of those products.

(2) The excise tax for cigarettes shall be paid as a specific excise tax determined per 1000 pieces and proportional excise tax determined as a percentage of retail price of cigarettes.

(3) The specific excise tax for cigarettes amounts to 1.00 Euro for 1000 pieces.

(4) Proportional excise tax for cigarettes amounts to 26% of their retail price.

(5) The excise tax for other tobacco products shall be paid per kilogram of those products, as follows:

- for cigars and cigarillos - 10.00 Euros,
- for finely shredded tobacco (for rolling cigarettes) - 20.00 Euros,
- for other smoking tobacco - 15.00 Euros.

(6) The retail price of cigarettes referred to in paragraph 4 of this Article shall be the price that is determined by the producer or importer, and which shall include the excise tax and the value added tax.

(7) The producer or importer shall report the retail prices of cigarettes to the responsible tax authority and publish them in the “Official Gazette of Montenegro” before placing cigarettes in use or in circulation.

(8) The sale of cigarettes at retail prices that are higher than the reported prices shall not be allowed.