

November 2, 2011

### **SMOKERS FIND A WAY TO SAVE ON CIGARETTES**

Fort Myers News-Press (Fort Myers, Florida)

By Laura Ruane

November 2, 2011

A growing number of smokers are bypassing commercial brands and rolling their own cigarettes, at home or at a specially equipped business location.

Savings are the main draw. Roll-your-own smokers typically use pipe tobacco, which is taxed at a lower rate than tobacco made for cigarettes.

At We Roll in Cape Coral, for example, a 200-cigarette carton costs \$27.50, including the 6 percent state sales tax. That's about half the cost of a carton of brand-name products.

Savings of nearly 50 percent or more are not uncommon at other area stores catering to roll-your-own cigarette customers. The biggest part of the discount comes from roll-your-own operations using pipe tobacco, which is taxed at a much lower rate than cigarette tobacco.

"Some people say they save as much in a month as their car payment," said Russ Peterson, co-owner of the We Roll Cheap Cigarettes LLC operating in Lee and Collier counties.

In the past two years, Peterson and business partner Lou McQuaid have opened five stores. They expect to open a sixth company-owned store as early as next week east of Fort Myers, near Palm Beach Boulevard and Buckingham Road.

The We Roll in Cape Coral occupies the former WaMu bank branch at the Coral Pointe shopping center. It's outfitted with popular magazines, a patio table set and additional perky-red chairs for customers waiting to use the rolling machines. Framed portraits of vintage celebrities with cigarettes -- including Audrey Hepburn, Paul Newman, and Lucille Ball -- adorn the walls. Country music plays softly.

The room's focal point consists of four cigarette "filling stations" in wood-laminate cabinets. They cost about \$35,000 each, and sport high-tech touch-screen controls. A panel on the front of the machines reads: "Surgeon General's warning: Cigarette smoke contains carbon monoxide."

Customers choose their pipe tobacco and the paper tubes -- with filters, if desired. The customers pour the tobacco from plastic pitchers into the machine. Employees load the boxes of tubes, and also weigh a cigarette or two -- to make sure the tubes are not over- or under-filled. The customers do the rest, following prompts on the digital touch screens.

Finished cigarettes tumble gently into a small plastic bin. The buyers pack them in new cartons that We Roll provides. The whole process takes about 10 minutes.

Carol Weiss of Cape Coral comes in every two weeks. Weiss formerly smoked Dorals, and said the roll-your-owns "are just as good, and I'm saving \$22 a carton."

Not all businesses that cater to roll-your-own smokers have the big, freezer-size machines for customers to use on site. At Purple Ringer in Fort Myers, a small, hand-held rolling device costs \$8; there's a bigger machine available for \$43, said store owner Victoria Monfort.

Roll-your-own enterprises use the more coarsely cut tobacco originally intended for pipes. That's where the bulk of the savings occur. The federal excise tax on a pound of loose pipe tobacco is \$2.83, versus \$24.78 for cigarette tobacco.

The roll-your-own businesses also don't have to purchase the cigarette "stamps" because customers technically aren't buying cigarettes.

There's a chance, however, that some of the savings could go up in smoke:

Last fall, the U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau ruled that retailers who allow consumers to use the machines to make their own cigarettes should follow the same tax codes and permitting as the large industry-scale manufacturers.

But some Ohio businesses, including the makers of the roll-your-own machines, challenged the ruling in federal court. A judge issued an injunction stopping the tobacco trade bureau from enforcing its ruling. The case is on appeal.

"Everybody is concerned," Peterson said. Still, he thinks his roll-your-own customers get a superior product. And, no matter how high the taxation and regulation, Peterson said, "People are not going to stop smoking."

Contact Laura Ruane at [lruane@news-press.com](mailto:lruane@news-press.com)

<http://www.news-press.com/article/20111102/BUSINESS/311020018/Smokers-find-way-save-cigarettes?odyssey=tab|topnews|img|Home>