



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
450 N Street
Sacramento, CA 95814

GAVIN NEWSOM
Governor

YOLANDA RICHARDSON
Secretary
Government Operations Agency

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

CRS
711

New Tax and Reporting Requirements for Retailers of Electronic Cigarettes Containing or Sold with Nicotine

Beginning July 1, 2022, electronic cigarette retailers are required to collect from purchasers at the time of sale a 12.5 percent California electronic cigarette excise tax (CECET) on the retail selling price of the electronic cigarettes containing or sold with nicotine. Retailers are required to collect the tax, electronically file a return, and pay the tax to the California Department of Tax and Fee Administration.

What are electronic cigarettes containing or sold with nicotine?

Electronic cigarettes mean any of the following:

- Any device or delivery system used to deliver aerosolized or vaporized nicotine to a person when sold in combination with any liquid or substance containing nicotine, examples include: eCigarettes, eCigars, ePipes, vape pens, or eHookahs.
- Any component, part, or accessory that is used during the operation of the device or delivery system when sold in combination with any liquid or substance containing nicotine.
- A liquid or substance containing nicotine, such as eJuice or eLiquid, whether sold separately or sold in combination with any device.

How do I register for a CECET permit (account)?

If you already have a Cigarette and Tobacco Products Retailer's License (CRL) with us and you indicated that you sell electronic cigarettes and nicotine products at the time of registration or renewal, we will register you with a CECET account by July 1, 2022. Starting June 2022, we will begin notifying those retailers by mail that we have registered them with a CECET account.

However, if you currently have a CRL license and indicated that you do not sell electronic cigarettes and nicotine products when you registered for or renewed your license, we will *not* automatically register you with a CECET account. If you decide to sell electronic cigarettes containing or sold with nicotine in the future, you must register with us at that time. Beginning June 1, 2022, you may register for a CECET account using our [Online Services Portal](#):

1. Visit https://onlineservices.cdtfa.ca.gov/_/.
2. Log in to your account with your username and password.
3. Select *More* under the *I Want To* section.
4. Select *Register a New Business Activity*.
5. Follow the prompts to complete the account registration process.

What must I do once I have a CECET account?

Beginning July 1, 2022, you are required to:

- Collect the tax from purchasers at the time you sell electronic cigarettes containing or sold with nicotine.
- Provide the purchaser with a receipt or other document that separately identifies the California electronic cigarette excise tax and the amount the purchaser paid on each retail sale of electronic cigarettes containing or sold with nicotine.

**CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION**

Special Notice

*New Tax and Reporting
Requirements for Retailers
of Electronic Cigarettes
Containing or Sold with
Nicotine*

- Include the CECET amount in any price marketing sign or display of the electronic cigarettes containing or sold with nicotine.
- File a CECET return and pay the tax using our online services. You may retain one percent of the CECET as reimbursement for your costs to collect the CECET.
 - The return and payment are due quarterly on or before the last day of the month following each calendar quarter period. We will notify you if you are required to file and pay for periods other than quarterly, such as monthly. The first CECET return and payment of the tax is due by October 31, 2022, for the period July 1, 2022 through September 30, 2022.

Legislation information

[Senate Bill 395](#)¹ (Stats. 2021, ch. 489) enacted the Healthy Outcomes and Prevention Education (HOPE) Act, which imposes upon purchasers the California electronic cigarette excise tax on the purchase for use in this state of electronic cigarettes containing or sold with nicotine.

For more information

If you have additional questions regarding the new requirements, please visit our *Tax Guide for California Electronic Cigarette Excise Tax* at www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB395