CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION BUSINESS TAXES COMMITTEE 450 N STREET, SACRAMENTO, CA 95814 PO BOX 942879, SACRAMENTO, CA 94279-0050 1-916-309-5398 • FAX 1-916-322-2958 www.cdtfa.ca.gov



GAVIN NEWSOM Governor

YOLANDA RICHARDSON Secretary, Government Operations Agency

> NICOLAS MADUROS Director

June 7, 2021

VIA INTERNET

Dear Interested Party:

Attached is a copy of Current Legal Digest (CLD) Number 1089 for your information and review. The CLD includes three new proposed annotations, two for the Cigarette and Tobacco Products Licensing Act and one for the Cigarette and Tobacco Products Tax Law. After review, please submit any questions, comments, or suggestions for changes by **July 7, 2021**. You may complete the electronic CLD Comments Form at http://www.cdtfa.ca.gov/taxes-and-fees/cldmail.aspx or mail your written comments to:

California Department of Tax and Fee Administration (CDTFA) Annotation Coordinator, MIC: 50 P. O. Box 942879 Sacramento, CA 94279-0050

CLDs are circulated for 30 days, at which time any questions are addressed, and/or suggested modifications taken into consideration. After review of the final version by the CDTFA's Legal Division, they are published in the Business Taxes Law Guide. At that time, the CLD becomes obsolete.

Sincerely,

Pamela Bergin Assistant Chief Counsel

Attachment: Current Legal Digest 1089

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

CURRENT LEGAL DIGEST NO. 1089

June 7, 2021 Special Tax and Fees New Annotations

Cigarette and Tobacco Products Licensing Act Annotations

Invoice Requirements: Address. An invoice from a distributor or wholesaler must include the address of the retailer, distributor, or wholesaler to whom cigarettes or tobacco products are sold. The address of the retailer required to be included on an invoice is the licensed retail location address. An invoice does not meet the requirements set forth in Section 22978.4 if it does not include the licensed location address for the person to whom the cigarettes or tobacco products are sold. 11/24/20

License Required to Store Untaxed Tobacco Products at a California Warehouse. Untaxed tobacco products are stored at a California warehouse, and the tobacco products are sold to a customer outside this state. Only a licensed manufacturer, importer, or distributor may store untaxed tobacco products in this state. Therefore, the owner of the untaxed tobacco products stored in this state must obtain one of these licenses. 1/2/20

Cigarette and Tobacco Products Tax Annotations

<u>Tobacco Products – Section 30121(b)</u>

Bulk Tobacco. Bulk tobacco is unfinished tobacco that is not in consumer packaging or portioning. A manufacturer may process bulk tobacco into a finished condition and package it for consumers. Bulk tobacco is a tobacco product as defined in Section 30121(b) because it contains tobacco and it is intended for human consumption after it is manufactured into a finished tobacco product. It is not a statutory requirement that the tobacco be a finished product in order to be a tobacco product pursuant to Section 30121(b). 1/2/20