



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
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CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

TTY
711

New Tax Rate on Tobacco Products Effective July 1, 2024, through June 30, 2025

The California Department of Tax and Fee Administration (CDTFA) recently approved the new tax rate of 52.92 percent, effective July 1, 2024, through June 30, 2025. We are required to annually determine the tax rate on tobacco products (products other than cigarettes), which is equivalent to the combined rate of tax imposed on cigarettes.

How does the tax apply?

Tobacco products distributors are required to apply this rate to all distributions of tobacco products in California during the effective period.

The tax is based on the distributor's wholesale cost, which is the cost of the tobacco products charged to the distributor prior to any discounts or trade allowances.¹ This cost is typically the invoiced price of the tobacco products charged by a manufacturer or importer to the licensed distributor prior to any discounts or trade allowances.

When is the tax due?

The tax is due at the time the tobacco products are distributed in California. *The tax rate that applies is the rate in effect at the time the tobacco product is sold by the distributor.* You may find current and historical tobacco products tax rates on our website at www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm.

For more information

Please visit our online *Tax Guide for Cigarettes and Tobacco Products* at www.cdtfa.ca.gov/industry/cigarette-and-tobacco-products.htm, or call our Customer Service Center at 1-800-400-7115 (TTY:711); from the main menu select *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ www.cdtfa.ca.gov/lawguides/vol3/ctptl/ctptl-30017.html and www.cdtfa.ca.gov/lawguides/vol3/ctptr/ctptr-reg4076.html