



Revised Tobacco Products Distributor Tax Return

Beginning with the January 2022 and first quarter 2022 filing periods, we revised the tobacco products distributor tax return to separate the reporting of exempt distributions by product type, and we added a new schedule to ensure the correct tax rate is used to obtain a credit on products returned after distribution.

What's changed on the Tobacco Products Distributor Tax Return?

- You must report any exempt distributions of the product types listed below:
 - Electronic cigarettes and vaping products that contain nicotine.
 - All other tobacco products (OTP) (*excluding electronic cigarettes and vaping products that contain nicotine*).
- **Schedule C – Tax Credit Adjustment Worksheet.** You will use this new schedule to obtain a credit for tobacco products returned to you after the products have been distributed and reported as taxable on your return for a prior reporting period(s). The schedule contains two sections:
 - Section A - *Returned Electronic Cigarettes and Vaping Products That Contain Nicotine Credit Worksheet*
 - Section B - *Returned Other Tobacco Products (OTP) Credit Worksheet*

Each section requires the following information:

- Original Distribution Period - You must enter the reporting period in which you reported the distribution and paid the tax on the returned product. For example, February 2022 would be entered as "01-Feb-2022."
- Wholesale Cost - You must enter the wholesale cost amount.
- Our system will automatically calculate the following:
 - Tax Rate,
 - Tax Credit Amount,
 - Subtotal, and
 - Total Returned Electronic Cigarettes and Vaping Products That Contain Nicotine and Other Tobacco Products Credit.

How do I prepare?

- Document the date you reported and paid the tax on each distribution to track your original distribution period.
- Document the wholesale cost of each product you distributed to other California licensed distributors, wholesalers, and retailers.
- Document the date and amount you refunded (either in cash or credit) to your customer for the products that your customer returned to you.
- Watch our video tutorial, *How to File a Tobacco Products Distributor Tax Return*, located on our website at <https://www.cdtfa.ca.gov/services/#Tutorials>.

Reminder - Online filing is required beginning January 1, 2022

For details, see our [notification](#) mailed in December 2021. We will no longer provide paper forms.

For more information

You may contact our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.