



# Special Notice

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CALIFORNIA STATE BOARD  
OF EQUALIZATION  
450 N STREET  
SACRAMENTO, CA 95814

## New Tax Rate on Other Tobacco Products Effective July 1, 2017 through June 30, 2018

EXECUTIVE DIRECTOR  
DAVID J. GAU

BOE WEBSITE AND  
BOARD MEMBER CONTACT  
INFORMATION  
[www.boe.ca.gov](http://www.boe.ca.gov)

CUSTOMER SERVICE CENTER  
1-800-400-7115

TTY  
711

The new tobacco products tax rate is 65.08 percent effective July 1, 2017 through June 30, 2018. Tobacco products distributors are required to apply this rate to all distributions of other tobacco products during the effective period.

The California State Board of Equalization (BOE) approved the new tax rate at its April 25, 2017 meeting. The BOE is required to determine a tax rate annually on other tobacco products (products other than cigarettes) that is equivalent to the combined rate of tax imposed on cigarettes. The tobacco products tax is imposed on the first distribution of tobacco products in California and is paid by tobacco products distributors.

The tobacco products tax is due at the time the tobacco products are first distributed in California by a licensed distributor. The tobacco products tax is based on the licensed distributor's wholesale cost. Wholesale cost is the cost of the tobacco products to the licensed distributor prior to any discounts or trade allowances. 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. **Accordingly, 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 the BOE website at [www.boe.ca.gov/sptaxprog/tax\\_rates\\_stfd.htm](http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm).

For more information regarding cigarette and tobacco products taxes, see the online Cigarette and Tobacco Products tax and fee guide at [www.boe.ca.gov/industry/cigarettes\\_tobacco\\_products.html](http://www.boe.ca.gov/industry/cigarettes_tobacco_products.html), or call the Customer Service Center at 1-800-400-7115 (TTY:711) weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays; from the main menu, select the option, "Special Taxes and Fees."