



# SPECIAL NOTICE

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

**GAVIN NEWSOM**  
Governor

**AMY TONG**  
Secretary  
Government Operations Agency

**NICOLAS MADUROS**  
Director

CDTFA WEBSITE  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

CUSTOMER SERVICE CENTER  
**1-800-400-7115**

CRS  
711

## New Tax and Reporting Requirements for Out-of-State Retailers of Electronic Cigarettes

Beginning July 1, 2022, electronic cigarette retailers are required to collect from California purchasers (consumers) a 12.5 percent California electronic cigarette excise tax (CECET) on the retail selling price of electronic cigarettes containing or sold with nicotine for use in California.

### Do you make retail sales to California consumers?

If you sell electronic cigarettes containing or sold with nicotine directly to California consumers from outside of California, you are considered an out-of-state retailer and a delivery seller ([Revenue and Taxation Code section 30101.7](#)) and you should already have a cigarette and tobacco products distributor license and tobacco products distributor account with us. However, you now also need a CECET account. Out-of-state retailers are required to collect the CECET from California consumers, file a CECET return electronically, and pay the CECET to us.

### What you must do starting July 1, 2022

- Collect the CECET from California consumers at the time you sell electronic cigarettes containing or sold with nicotine to California consumers.
  - The CECET is not subject to sales and use tax. Sales and use tax only applies to the selling price of the electronic cigarettes, excluding the CECET. Please see our [Tax Guide for California Electronic Cigarette Excise Tax](#)<sup>1</sup> for examples of how these taxes apply.
- Provide your California consumer with a receipt or other document that separately identifies the CECET and the amount the California consumer paid for each electronic cigarette retail sale.
- Include the CECET amount in any electronic cigarette price marketing sign or display. This includes any type of electronic or print media marketing, including but not limited to, websites, emails, videos, mail, or magazines.

### Reporting requirements

- File CECET returns and pay the tax using our [Online Services](#) on a quarterly basis by the due date. Your due date is on or before the last day of the month following each calendar quarter period.
  - The first CECET return and tax payment are due by October 31, 2022, for the period July 1, 2022, through September 30, 2022.
  - If you did not make any sales during a reporting period, you are still required to file a zero return timely.
- A one-percent reimbursement of the CECET will automatically be calculated when you file your CECET return.

### Registration

*Please note:* Even though registration may occur prior to September 1, 2022, you must still collect the CECET beginning July 1, 2022.

<sup>1</sup> <https://www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm>

---

**CALIFORNIA DEPARTMENT  
OF TAX AND FEE  
ADMINISTRATION**

Special Notice

*New Tax and Reporting  
Requirements for Out-of-State  
Retailers of Electronic  
Cigarettes*

Prior to September 1, 2022, we may register you with a CECET permit (account) based on our records and will notify you by mail if we do. If you do not receive our notification letter indicating we have registered you with a CECET account and you need a CECET account, please contact us and we will register you.

Beginning September 1, 2022, you may register for a CECET account using our [Online Services](https://onlineservices.cdtfa.ca.gov/) at [onlineservices.cdtfa.ca.gov/](https://onlineservices.cdtfa.ca.gov/). You may also use our online services to register for a seller's permit, cigarette and tobacco products distributor licenses, and tobacco products distributor accounts.

**What are electronic cigarettes containing or sold with nicotine?**

- 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, and 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.

**Legislation information**

[Senate Bill 395](#)<sup>2</sup> (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 California of electronic cigarettes containing or sold with nicotine.

**For more information**

For more information, see our online [Tax Guide for California Electronic Cigarette Excise Tax](#) at [www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm](https://www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm), or call our Customer Service Center at 1-800-400-7115 (CRS: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.