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THINGS TO KNOW BEFORE YOU BUY CIGARETTE AND TOBACCO PRODUCTS!

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Can Cigarette and Tobacco Products Retailers Purchase Cigarette and Tobacco Products over the Internet or from an Unlicensed Supplier?

Q: I am a cigarette and tobacco products retailer and I found a great price for some cigarettes and tobacco products being sold by a company over the Internet. Can I purchase these products for resale in my store?

A: That depends. In California, a licensed retailer may only purchase tax-paid cigarettes or tobacco products from a licensed California distributor or wholesaler. You can check the California State Board of Equalization's (BOE) website to verify if the company is licensed. Go to <https://efile.boe.ca.gov/boewebservices/verification.jsp>, under the *Cigarette and Tobacco Products License* heading click on both distributor and wholesaler for a list of current licensed California cigarette and tobacco products distributors and wholesalers.

In addition, any cigarette brand or roll-your-own tobacco products you intend to sell must be listed on the California Attorney General's Tobacco Directory. For more information, visit www.oag.ca.gov/tobacco/directory.

Q: I checked the BOE website and found out the seller does not have a distributor or wholesaler license with California. No wonder the price is so low! Can I still purchase these products?

A: You can purchase them if you are registered as a licensed California cigarette and/or tobacco distributor. If you are not a licensed distributor, you must first apply with the BOE. You will need to post a minimum security deposit of \$1,000 and obtain a license which requires a license application fee and an annual renewal fee. For cigarette and tobacco products license fee and tax rate information, please visit www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm.

You can apply online for a license using Online Services, available on our website at www.boe.ca.gov. Online Services is also available in our field offices. If you need assistance, please contact our Customer Service Center at 1-800-400-7115 (TTY:711), and select the option for "Special Taxes and Fees." Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Q: Can I purchase electronic cigarettes from an unlicensed supplier or over the Internet for resale in my retail store?

A: Yes. You may also purchase any of the items listed below from an unlicensed supplier or over the Internet. However, as of January 1, 2017, if you make retail sales of electronic cigarettes or any of the items listed below, you are required to have a valid retailer's license in order to sell these items at retail:

- Any product containing, made, or derived from nicotine that is intended for human consumption.
- Any electronic smoking or vaping device that delivers nicotine or other vaporized liquids.
- Any component, part, or accessory of a tobacco product, whether or not sold separately.

Examples include, but are not limited to, eCigarettes, atomizers, vaping tanks or mods, and eLiquid or eJuice. These type of products are not currently subject to tax imposed by the Cigarette and Tobacco Products Tax Law. A tobacco product does not include products that the U.S. Food and Drug Administration has approved as cessation products, or for other therapeutic purposes (for example, nicotine patches), and it does not include cannabis products. The licensing requirement does not apply to retailers of cessation and/or medical cannabis products.

Protect Yourself!

BOE Publications and Tools Are Available to Help You as a Retailer

- Read [publication 78](#), *Sales of Cigarettes and Tobacco Products in California*.
- Read [publication 152](#), *Cigarette and Tobacco Product Inspections*.
- Verify a distributor or wholesaler license by name or license number online.
<https://efile.boe.ca.gov/boeweb/services/verification.jsp?action=SALES>.
- Sign up for Cigarette and Tobacco Products Tax email notifications.
www.boe.ca.gov/sptaxprog/etfdl/index.htm.
- Sign up for classes on Cigarette and Tobacco Products Licensing.
www.boe.ca.gov/sutax/cigtobclass.htm.
- Watch our online Cigarette and Tobacco Products video presentation at
www.boe.ca.gov/info/VirtualSeminars/VirtualSeminar_online_cig_tob_retail_.htm.



California State Board
of Equalization

For more information,
please visit our website at
www.boe.ca.gov.