

**TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN**

<b>DUE ON OR BEFORE</b>	
[ <b>FOID</b> ]	YOUR ACCOUNT NO.

BOE USE ONLY		
RA-B/A	AUD	REG
RR-QS	FILE	REF
EFF		

BOARD OF EQUALIZATION  
SPECIAL TAXES AND FEES -  
PO BOX 942879  
SACRAMENTO CA 94279-6069 -

**READ INSTRUCTIONS  
BEFORE PREPARING**

**GENERAL**

The State Board of Equalization (BOE) administers the California Cigarette and Tobacco Products Surtax Law. This law imposes a tax upon the distribution of tobacco products based on the wholesale cost of these products. The rate is determined annually by the BOE and is equivalent to the combined rate of tax imposed on cigarettes.

<input type="checkbox"/> 1A Check this box if you did not have any sales of roll-your-own tobacco from nonparticipating manufacturers for this reporting period.
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**TOBACCO PRODUCTS TAX LIABILITY**

1. Wholesale cost of all tobacco products distributed	1.		\$
<b>EXEMPT DISTRIBUTIONS (see instructions)</b>			
2. Interstate or foreign commerce	2.		\$
3. Interstate or foreign passenger common carriers	3.		\$
4. Other exemptions (see instructions)	4.		\$
5. Credit on returned tobacco products where you reported tax for a prior reporting period	5.		\$
6. Total exempt distributions (add lines 2 thru 5)	6.		\$
7. Taxable distributions (line 1 minus line 6)	7.		\$
8. Tax rate	8.		
9. Total amount of tax due for tobacco products (multiply line 7 by line 8)	9.		\$
10. Penalty [multiply line 9 by 10% (0.10) if your tax payment is made, or your return is filed, after the due date shown above]	PENALTY 10.		\$
11. INTEREST: One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date. The adjusted monthly interest rate is <a href="#">Interest Rate Calculator</a>	INTEREST 11.		\$
12. TOTAL AMOUNT DUE AND PAYABLE (add lines 9, 10, and 11)	12.		\$

<i>I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.</i>		EMAIL ADDRESS	
SIGNATURE	PRINT NAME AND TITLE	TELEPHONE (    )	DATE

**Make check or money order payable to State Board of Equalization.**  
Always write your account number on your check or money order. Make a copy of this document for your records.  
**BOE-501-CTT, Tobacco Schedule T, must be attached only if line 1A is not checked.**



## TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

**Payments:** To make your payment online, go to the BOE website at [www.boe.ca.gov](http://www.boe.ca.gov) and select the "Make a Payment" tab. You can also pay by credit card on the website, or by calling 1-855-292-8931. If you pay by credit card, a service fee will apply. If paying by check or money order, be sure to include your account number.

### DEFINITIONS

*Tobacco Products* include, but are not limited to, a product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigars, little cigars, chewing tobacco, pipe tobacco, shisha, or snuff, but does not include cigarettes. Tobacco products also include electronic cigarettes (Revenue and Taxation Code section 30121 (b)).

*Electronic Cigarettes* mean any device or delivery system sold in combination with nicotine which can be used to deliver to a person nicotine in aerosolized or vaporized form, including, but not limited to, an eCigarette, eCigar, ePipe, vape pen, or eHookah. Electronic cigarettes include any component, part, or accessory of such a device that is used during the operation of the device when sold in combination with nicotine.

*Distribution* includes the sale of untaxed tobacco products in this state, the use or consumption, including samples, of untaxed tobacco products in this state, or the placing of untaxed tobacco products in a vending machine or in retail stock for the purpose of selling the tobacco products to consumers (Revenue and Taxation Code section 30008).

*Distributor* includes every person who makes a "distribution" of tobacco products, or who sells or accepts orders for tobacco products that are to be transported from outside California to a consumer within California (Revenue and Taxation Code section 30011).

*Imposition of Tax.* Every distributor must pay a tax upon the distribution of untaxed tobacco products in this state.

*Untaxed Tobacco Products* means either tobacco products that have not yet been distributed in a manner that results in a tax liability or tobacco products that have been distributed and returned to the distributor after payment of tax and for which the distributor has claimed a deduction (Revenue & Taxation Code section 30123(c) or 30131.2(c)) or a refund or credit pursuant to Revenue & Taxation Code section 30176.2 or 30178.2.

*Wholesale Cost* means the cost of tobacco products and samples to the distributor, including the dollar value of samples, and the dollar value of any manufacturer's discounts or trade allowances (Revenue and Taxation Code section 30017, 30123, and 30131.2).

For example, the wholesale cost of any manufactured tobacco product that is distributed in a taxable manner shall include all manufacturing costs, the cost of raw material, including waste materials not incorporated into the final product, the cost of labor, any direct and indirect overhead costs, and any Federal excise and/or U.S. Customs taxes paid.

In addition to the price paid for the tobacco product, the wholesale cost of any tobacco product that is imported into this state directly from outside the country shall include any Federal excise or U.S. Customs taxes paid.

Cigarette and Tobacco Products Tax Regulation 4076, *Wholesale Cost of Tobacco Products*, provides examples of calculating or estimating wholesale cost.

### FILING REQUIREMENTS

Every person who distributes tobacco products in this state must file this tax return on or before the 25th day of the month following the month for which the tax is due (Revenue and Taxation Code section 30182). The tax return must be filed even if there were no distributions during the period covered by the return. The return must be accompanied by a remittance payable to the State Board of Equalization for the amount of any tax due.

**BOE-501-CTT, *Tobacco Schedule T***, must be completed, and attached only if you sold roll-your-own tobacco in California from nonparticipating manufacturers. If you did not make any sales of roll-your-own tobacco from nonparticipating manufacturers during this reporting period, it is not necessary to file *Tobacco Schedule T* but you must complete line 1A. A duplicate of the return, including all supporting records, should be retained on the licensed premise for verification by BOE auditors.

## INSTRUCTIONS - TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

### PREPARATION OF RETURN

**Line 1A.** Check box 1A if you did not sell roll-your-own tobacco from nonparticipating manufacturers for this reporting period. [BOE-501-CTT, Tobacco Schedule T](#), is not required to be completed if you did not sell roll-your-own tobacco from nonparticipating manufacturers.

**Line 1. Wholesale Cost of All Tobacco Products Distributed.** Enter the wholesale cost, as defined, of untaxed tobacco products that you distributed including electronic cigarettes (see Regulation 4076).

**Caution:** Do not include the wholesale cost of tobacco products that were returned to you by a customer during the same month covered by this return when you refund the entire amount the customer paid for the tobacco products either in cash or credit. Refund or credit of the entire amount shall be deemed to be given when the purchase price, less rehandling charges and restocking cost, is refunded or credited to a customer (Revenue & Taxation Code section 30123(c) and 30131.2(c)).

**Note:** A licensed California distributor may also be the *original importer of tobacco products* manufactured outside of the U.S. (Revenue & Taxation Code section 30105). If you are the original importer of tobacco products manufactured outside of the U.S. and sell these products to a licensed distributor, you must include those sales on [BOE-501-MIT, Schedule - Manufacturer/Importer Report of Tobacco Products Delivered or Shipped into California](#). If you purchase tobacco products manufactured outside the U.S. *from an original importer*, you must *include the cost of the imported tobacco products* on line 1 and **pay the tax** based on your distribution of the imported products.

**Line 2. Interstate or Foreign Commerce.** Enter the wholesale cost, as defined, of those tobacco products reported on line 1 that were distributed to purchasers in other states, territories or foreign countries by delivery outside California and not returned to this state before use (Revenue & Taxation Code section 30104).

**Line 3. Interstate or Foreign Passenger Common Carrier.** Enter the wholesale cost, as defined, of those tobacco products reported on line 1 that were distributed to a common carrier engaged in interstate or foreign passenger service or to a person authorized to sell tobacco products on the facilities of such carriers.

**Line 4. Other Exemptions.** Enter the wholesale cost, as defined, of only those tobacco products reported on line 1 that are exempt from tax, such as: (1) tobacco products sold to the U.S. Army, Air Force, Navy, Marine Corps, or Coast Guard exchanges and commissaries, and Navy or Coast Guard ships stores (Revenue & Taxation Code section 30102); (2) tobacco products under internal revenue bond or customs control (Revenue & Taxation Code section 30102.5); or (3) tobacco products sold or transferred to a law enforcement agency for use in a criminal investigation (Revenue & Taxation Code section 30103.5).

**Caution:** Sales by original importers of tobacco products manufactured outside the U.S. to **licensed** distributors are not taxable (Revenue & Taxation Code section 30105) and must be included on [BOE-501-MIT](#). If, however, you are an original importer with sales to **unlicensed** distributors in California, or sales to wholesalers or retailers of tobacco products, you must include the sales on line 1.

**Line 5. Credit on Returned Tobacco Products Where Tax Was Reported in a Prior Month.** Enter the wholesale cost, as defined, of those tobacco products that were returned by the customer during the period covered by this return but that were reported on line 1 for a different month than covered by this return. Credit of the entire amount shall be deemed to be given when the entire purchase price, less rehandling and restocking costs, is credited to the customer (Revenue & Taxation Code section 30176.2). If the credit exceeds the liability on line 12, the balance will be refunded.

**Line 10. Penalty.** If you pay the tax due on line 9 or file your return after the due date shown on the front of this return, additional amounts are due for penalty charges. The penalty is 10 percent (0.10) of the amount of tax owing.

**Line 11. Interest.** The interest rate for late payment is noted on line 11 on the front of this form and applies for each month or portion of a month after the due date.

**Line 12. Total Amount Due and Payable.** Enter the total amount due and payable including penalty and interest, if applicable.

### SIGN AND MAIL YOUR RETURN

Make your check or money order payable to the State Board of Equalization. Always write your account number on your check or money order. Mail your return and payment in the envelope provided, making sure the BOE's address shows through the window.

If you need additional information, please contact the State Board of Equalization, Special Taxes and Fees, P.O. Box 942879, Sacramento, CA 94279-0088. You may also visit the BOE website at [www.boe.ca.gov](http://www.boe.ca.gov) or call the Customer Service Center at 1-800-400-7115 (TTY:711); from the main menu, select the option 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.