



Special Notice

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SACRAMENTO, CA 95814

Cigarette and Tobacco Products License Fee Increase and New Retailer License Requirement

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TTY
711

License Fee Increase

On June 9, 2016, the Cigarette and Tobacco Products License application fee increased for retailers, wholesalers, and distributors; and the reinstatement fee was eliminated for retailers. Beginning January 1, 2017, retailers will be required to pay an annual license renewal fee and the annual renewal fee for wholesalers and distributors will increase. The new fee amounts¹ are shown below.

License Type	Fees for June 9, 2016 to December 31, 2016	Fees Effective On or After January 1, 2017
Retailer Application Fee	\$265 per location	\$265 per location
Retailer Renewal Fee	None	\$265 per location per year
Retailer License Reinstatement Fee	N/A	N/A
Wholesaler/Distributor Application Fee	\$1,200 per location	\$1,200 per location
Wholesaler/Distributor Renewal Fee	\$1,000 per location per year	\$1,200 per location per year

New Retailer License Requirement

State law² expanded the definition of a tobacco product for retail licensing purposes to include the products listed below, which are currently not subject to the excise taxes imposed by the Cigarette and Tobacco Products Tax Law.³ Effective January 1, 2017, if you sell any of these products at retail in California, you are required to have a valid California Cigarette and Tobacco Products Retailer's License⁴ prior to making retail sales of these products to consumers. However, if you already have a valid Cigarette and Tobacco Products Retailer's License, you may sell these products under that license.

- 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 to the person inhaling from the device.
- 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. A tobacco product does not include products that the U.S. Food & Drug Administration has approved as cessation products or for other therapeutic purposes (for example, nicotine patches). This licensing requirement does not apply to medical cannabis products.

*Cigarette and
Tobacco Products
License Fee
Increase and New
Retailer License
Requirement*

For Additional Information

You are encouraged to review the provisions of Assembly Bill x2-11 and Senate Bill x2-5 at leginfo.legislature.ca.gov for a complete understanding of the amended laws. You may also visit the *Cigarette and Tobacco Products Tax Guide* at www.boe.ca.gov/industry/cigarettes_tobacco_products.html.

If you have any questions, please call the Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ [Assembly Bill \(AB\) x2-11](#) (Stats. 2016, Ch. 6) was signed into law on May 4, 2016.

² [Senate Bill \(SB\) x2-5](#) (Stats. 2016, Ch. 7) was signed into law on May 4, 2016.

³ [Part 13](#) (commencing with Section 30001) of Division 2 of the Revenue and Taxation Code.

⁴ Business and Professions Code section [22972](#).
