SALES OF CIGARETTES AND TOBACCO PRODUCTS IN CALIFORNIA

LICENSE REQUIREMENT FOR RETAILERS
**RETAIL LICENSING REQUIREMENT**

**Who is required to have a license?**
Retail sellers of cigarettes and tobacco products in California must have a California Cigarette and Tobacco Products Retailer’s License prior to purchasing tax-paid products from California Licensed Distributors or Wholesalers and prior to making retail sales of cigarettes, roll-your-own (RYO) or other tobacco products to consumers. (Cigarette and Tobacco Products Licensing Act of 2003)

A separate license is required for each location or vending machine from which cigarettes or tobacco products are sold at retail. Whenever you add a new location that requires a license, you must obtain a separate license for that location. There is a one-time fee of $100 for each location or vending machine from which you sell cigarettes, RYO or other tobacco products.

Note: You must obtain a distributor’s license before you purchase untaxed cigarettes or tobacco products from an out-of-state seller who does not have a license issued under the Cigarette and Tobacco Products Licensing Act of 2003. A wholesaler’s license is also required if you purchase tax-paid cigarettes or tobacco products for resale to other retailers. The fee for each distributor’s or wholesaler’s license is $1,000 per year for each of your locations.

**Can a mobile seller get a retailer’s license for sales of cigarettes, RYO, and other tobacco products?**
No. A “mobile location” does not meet the definition of a retail location. If you operate from a catering truck, lunch wagon, or other mobile facility, you do not qualify for a California Cigarette and Tobacco Products Retailer’s License and therefore, cannot sell cigarettes or tobacco products from your truck, wagon or other mobile facility in California. For more information on this topic, please see our website at [http://www.boe.ca.gov/pdf/pub204_dec2012.pdf](http://www.boe.ca.gov/pdf/pub204_dec2012.pdf).

**When does my license expire?**
The retail license is valid for one year and must be renewed annually. We will send you a renewal reminder notice prior to the expiration of your license. You must complete and submit the renewal application online with the Board of Equalization (BOE) to maintain your cigarette and tobacco products retail license. There is no additional charge to renew a retail license. However, you will be required to pay a reinstatement fee of $100 per location to reactivate a license that is not renewed on time.

**How do I apply for and renew my license?**
You can apply and also renew your license online using our online services available at [www.boe.ca.gov](http://www.boe.ca.gov). Online services are available in our field offices. Please contact our Customer Service Center for assistance at 1-800-400-7115 (TTY:711).

**How do I pay?**
You can make your payment online direct from your bank account or by credit card, paper check, or money order. Please visit our website at [www.boe.ca.gov](http://www.boe.ca.gov), click on the Make a Payment tab, and log in and make a payment, or go directly to [https://efile.boe.ca.gov/boe/boe_login.jsp](https://efile.boe.ca.gov/boe/boe_login.jsp).

**I have a seller’s permit. Am I still required to obtain this retailer’s license?**
Yes. This licensing requirement is in addition to other permits and licenses we issue. You must apply for and maintain a CA seller’s permit to be issued a cigarette and tobacco products retailer’s license and for the license to be renewed.

The state license is required by the Cigarette and Tobacco Products Licensing Act of 2003. This law does not replace any local cigarette and tobacco products retail license you may also be required to maintain.

**RESPONSIBILITIES OF LICENSE HOLDERS**
As a holder of a Cigarette and Tobacco Products Retailer’s license, you must:

- Conspicuously display your license at each retail location so that it is visible to the public.
- Keep complete and legible cigarette and tobacco products invoices at each licensed location for at least one year after the date of purchase. The invoices must be kept at the same location as the inventory.
- Keep purchase invoices for cigarettes and tobacco products for four years (see Purchase invoice requirements, next column).
- Allow our staff or law enforcement officers to review your cigarette and tobacco products purchase invoices upon request.
- Purchase and sell only those cigarettes and roll your own tobacco (RYO) authorized for sale in California as listed on the Attorney General’s California Tobacco Directory, [http://oag.ca.gov/tobacco/directory](http://oag.ca.gov/tobacco/directory).
- For more details regarding your responsibilities, check out the free BOE classes for retailers selling cigarettes and tobacco products. See [www.boe.ca.gov](http://www.boe.ca.gov) for class schedules.

**Sell-off period**
A distributor or wholesaler is required to notify a licensed retailer when the California Attorney General is recommending removal of a tobacco manufacturer or brand family from the Directory.

- A licensed retailer is allowed to possess, transport, and sell tax-stamped cigarettes or tax-paid RYO removed from the Directory for no more than 60 days from the effective date of the manufacturer or brand family’s removal from the Directory. After the 60-day sell-off period, the cigarettes are subject to seizure and destruction.

**Purchase invoice requirements**
The invoices you receive from sellers licensed under the Cigarette and Tobacco Products Licensing Act of 2003 must be readable and include the following information:

- The name of the distributor or wholesaler from whom you purchased the cigarettes or tobacco products.
- The address, telephone number, and license number of the distributor or wholesaler.
- The amount of California excise taxes the distributor paid or owes on the cigarettes or tobacco products listed on the invoice.

**Note:** A licensed distributor who is also a licensed retailer or manufacturer may include this statement instead of providing the amount of excise taxes paid: “All California cigarette and tobacco product taxes are included in the total amount of this invoice.”

- An itemized list of the cigarettes, RYO, or tobacco products purchased.
- Your name, address, and the purchaser’s cigarette and tobacco products retailer’s license number.
- The date of the sale documented on the invoice.

**Cigarettes and tobacco products transferred between stores**
Generally, the transfer of cigarettes and tobacco products is not permitted. However, if you own more than one store and licenses are held by the same legal entity, you may be allowed to transfer cigarettes and tobacco products between stores belonging to the same legal entity. When transferring cigarettes and tobacco products, legible transfer records and copies of the original purchase invoice must be kept at each location involved in the transfer. Such transfer records, which must be prepared at the time of transfer, must include the address of each store, the purchase invoice date, the purchase invoice number, the supplier’s name on the invoice,
including type of packaging, flavor and or style, and the quantity transferred. Sales transactions between retailers are prohibited.

**ENFORCEMENT**

**Records.** You must keep and maintain legible, accurate, and complete records, including properly completed purchase invoices at each licensed location for at least one year after the date of purchase. If you do not, you are subject to a misdemeanor punishable by a fine of up to $5,000, imprisonment for up to one year in a county jail, or both.

**License Display.** If you do not conspicuously display your license at each retail location from which you sell cigarettes or tobacco products, you are subject to a penalty of $500.

**Inspections.** BOE staff has authority to inspect any location where cigarettes or tobacco products are sold, produced, or stored, or at any site where there is evidence of illegal activities (Revenue and Taxation Code §30435). Consequently, our staff and law enforcement officers can inspect retail locations and seize any untaxed cigarettes and/or tobacco products, including cigarettes without stamps, with stamps from other states, or with counterfeit tax stamps. Any person who refuses to allow an inspection is guilty of a misdemeanor and is subject to a fine. Also, any retailer in possession of untaxed cigarettes or tobacco products is subject to fines and penalties, such as suspension of your retailer's license.

**Suspension or revocation of license.** During the suspension period or after the effective date of the revocation of a license, you are prohibited from selling, gifting, or displaying for sale, cigarettes or tobacco products.

Additionally, a retailer whose license was suspended is required to post the Notice of Suspension at the retail location subject to the suspension for the duration of the suspension period. A retailer whose license is revoked is required to post the Notice of Revocation at the retail location subject to the revocation for a 30-day period from the effective date of the revocation. Failure to post the suspension or revocation notices will result in a $1,000 penalty for each offense.

Continued sales or gifting of cigarettes or tobacco products during a suspension period or after effective date of revocation is a misdemeanor and will result in the seizure and forfeiture of all cigarettes and tobacco products in the possession of the person.

A person who, after receiving a notice of suspension or revocation, continues to display cigarettes or tobacco products for sale is also subject to a civil penalty of $1,000 for each offense.

**Illegal purchases.** It is illegal for retailers to purchase cigarettes or tobacco products from another retailer or any seller who is not licensed under the California Cigarette and Tobacco Products Licensing Act of 2003. If you make an illegal purchase, your cigarettes or tobacco products may be seized, your license may be suspended or revoked, and you may be subject to fines, imprisonment, or both.

To verify the license of a California cigarette and tobacco products distributor or wholesaler, visit our website at: https://efile.boe.ca.gov/boewebservices/verification.jsp. You may also verify a license using mobile devices at: https://efile.boe.ca.gov/m/svs.

**Illegal sales.** It is illegal for retailers to sell cigarettes or tobacco products in this state without a seller's permit and a cigarette and tobacco products retailer's license or when their license has been suspended or revoked under the Cigarette and Tobacco Products Licensing Act of 2003. If you make illegal sales of cigarettes or tobacco products, our staff or law enforcement agencies may seize all of your cigarettes and tobacco products and they will not be returned to you.

---

**For more information . . .**

**Go online**

www.boe.ca.gov

**Or call our Customer Service Center**

1-800-400-7115 • TTY:711

To contact your Board of Equalization Member, see www.boe.ca.gov.

**Taxpayer’s Rights Advocate**

Call toll-free for help with disagreements you have not been able to resolve through normal channels: 1-888-324-2798.

**Note:** This brochure summarizes the law and regulations in effect as of the publication date. While the information in this brochure is general, the law is complex and subject to change. If there is a conflict between the brochure and the law or regulations, decisions will be based on the law and regulations.