



SPECIAL NOTICE

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

GAVIN NEWSOM
Governor

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Secretary
Government Operations Agency

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CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115
CRS
711

Reminder for Retailers New Tax on Electronic Cigarettes Containing or Sold with Nicotine

The new California electronic cigarette excise tax (CECET), effective July 1, 2022, requires retailers of electronic cigarettes containing or sold with nicotine to hold a CECET permit (account) in addition to a seller's permit and Cigarette and Tobacco Products Retailer's License (CRL). Below are some important reminders and details:

Requirements

Beginning July 1, 2022, electronic cigarette retailers are required to:

- Hold a CECET account prior to selling electronic cigarettes containing or sold with nicotine to California consumers (purchasers).
- Collect the 12.5 percent CECET from purchasers on the retail selling price of electronic cigarettes containing or sold with nicotine.
 - The CECET is not subject to sales and use tax.
- Provide the purchaser with a receipt or other document that separately identifies the CECET and the amount the purchaser paid on each electronic cigarette retail sale.
- Include the CECET amount in any electronic cigarette price marketing sign or display.

Registration

- Beginning June 1, 2022, you may register for a CECET account using our Online Services Portal at onlineservices.cdtfa.ca.gov/_/.
- At the end of May 2022, we registered some retailers with a CECET account based on our records and notified those registered by mail. **If we have not registered you for a CECET account and you need one, you must register with us.**
- If you do not sell electronic cigarettes containing or sold with nicotine and we registered you with a CECET account in error, please contact us at the phone number below under *For More Information*, to update your business account information.

CECET Return and Payment Due Dates

- The CECET returns and payments are due on a quarterly basis by the due date.
- The due date is on or before the last day of the month following each calendar quarter period.
- The first return and payment are due by October 31, 2022, for the period July 1, 2022, through September 30, 2022.
- The return must be filed electronically using our Online Services Portal at onlineservices.cdtfa.ca.gov/_/.
- If you did not make any sales during a reporting period, you must file a zero return timely.
- The return and payment must be submitted separately from other returns and reports.
- A one percent reimbursement of the CECET is automatically calculated when you file your CECET return. For example, if your CECET is \$12,500 (\$100,000 sales x 0.125 CECET rate), the one percent reimbursement is \$125 (\$12,500 x 0.01 reimbursement rate).

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For More Information

For more information, please see our *Tax Guide for California Electronic Cigarette Excise Tax* at www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm and our special notice, *New Tax and Reporting Requirements for Retailers of Electronic Cigarettes Containing or Sold with Nicotine* at www.cdtfa.ca.gov/formspubs/L838.pdf. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *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.