



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
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CDTFA WEBSITE
www.cdtfa.ca.gov

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



ONLINE VERSION



ADDITIONAL
INFORMATION

New Tobacco Products Tax Rate Effective July 1, 2026, through June 30, 2027

The excise tax rate on tobacco products is decreasing to 51.08 percent, effective July 1, 2026, through June 30, 2027. We are required to annually determine the excise tax rate on tobacco products (products other than cigarettes), which is equivalent to the combined excise tax rate imposed on cigarettes, that will be effective during the next fiscal year (July 1 through June 30). The rate is calculated based on the wholesale cigarette prices reported to us as of March 1 each year.

How does the tax apply?

Tobacco products distributors are required to apply this rate to all distributions of tobacco products in California during the effective period.

The tax is based on the distributor's wholesale cost, which is the cost of the tobacco products charged to the distributor prior to any discounts or trade allowances.¹ This cost is typically the invoiced price of the tobacco products charged by a manufacturer or importer to the licensed distributor prior to any discounts or trade allowances.

When is the tax due?

The tax is due at the time the tobacco products are distributed in California. *The tax rate that applies is the rate in effect at the time the tobacco product is sold by the distributor.* You may find current and historical tobacco products tax rates on our website at www.cdtfa.ca.gov/taxes-and-fees/special-taxes-and-fees-tax-rates.

For more information

Please see our *Tax Guide for Cigarettes and Tobacco Products* at www.cdtfa.ca.gov/taxes-and-fees/cigarette-and-tobacco-products, or call our Customer Service Center at 1-800-400-7115 (TTY:711) and select the option for *Special Taxes and Fees* from the main menu. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ www.cdtfa.ca.gov/lawguides/vol3/ctptl/ctptl-30017.html and www.cdtfa.ca.gov/lawguides/vol3/ctptr/ctptr-reg4076.html