

TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

DUE ON OR BEFORE	
YOUR ACCOUNT NO.	

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

CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION
RETURN PROCESSING BRANCH
PO BOX 942879
SACRAMENTO CA 94279-6069

**READ INSTRUCTIONS
BEFORE PREPARING**

Please check this box if this filing represents an **AMENDED RETURN**

A. Check this box if you did not have any sales of roll-your-own tobacco from nonparticipating manufacturers for this reporting period.

TOBACCO PRODUCTS TAX LIABILITY

1a. Wholesale cost of all electronic cigarettes and vaping products that contain nicotine distributed (<i>complete CDTFA-810-CTN</i>)	1a.		\$	
1b. Wholesale cost of all other tobacco products distributed (<i>excluding amounts reported on line 1a</i>)	1b.		\$	
1c. Total wholesale cost of all tobacco products distributed (<i>add lines 1a and 1b</i>)	1c.		\$	
EXEMPT DISTRIBUTIONS (see instructions)				
2. Interstate or foreign commerce	2.		\$	
3. Interstate or foreign passenger common carriers	3.		\$	
4. Other exemptions (<i>see instructions</i>)	4.		\$	
5. Credit on returned tobacco products where you reported tax for a prior reporting period	5.		\$	
6. Total exempt distributions (<i>add lines 2 through 5</i>)	6.		\$	
7. Taxable distributions (<i>subtract line 6 from line 1c</i>)	7.		\$	
8. Tax rate	8.			
9. Total amount of tax due for tobacco products (<i>multiply line 7 by line 8</i>)	9.		\$	
10. Excess tax collected	10.		\$	
11. Total amount of tax due (<i>add lines 9 and 10</i>)	11.		\$	
12. PENALTY (<i>multiply line 11 by 10 percent [0.10] if your tax payment is made, or your return is filed, after the due date shown above</i>)	PENALTY 12.		\$	
13. 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 INTEREST RATE CALCULATOR	INTEREST 13.		\$	
14. TOTAL AMOUNT DUE AND PAYABLE (<i>add lines 11, 12, and 13</i>)	14.		\$	

<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

TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

Payments: To make your payment online, go to our website at www.cdtfa.ca.gov and select *Make a Payment*. You can also pay by credit card on our website or by calling 1-855-292-8931. If paying by check or money order, be sure to include your account number. Make your check or money order payable to California Department of Tax and Fee Administration.

GENERAL

The California Department of Tax and Fee Administration (CDTFA) administers the California Cigarette and Tobacco Products Tax 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 CDTFA and is equivalent to the combined rate of tax imposed on cigarettes.

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. Electronic cigarettes are considered a tobacco product (Revenue and Taxation Code section [30121 \(b\)](#)).

Electronic Cigarettes include any device or delivery system sold in combination with nicotine which can be used to deliver nicotine to a person 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 (Revenue and Taxation Code section [30121 \(c\)](#)).

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 is upon every distributor that must pay a tax upon the distribution of untaxed tobacco products in this state based on the wholesale cost (Revenue and Taxation Code sections [30123](#) and [30131.2](#)).

Untaxed Tobacco Products are 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 and Taxation Code sections [30123\(c\)](#) or [30131.2\(c\)](#)), or a refund or credit pursuant to Revenue and Taxation Code sections [30176.2](#) or [30178.2](#).

Retail Stock includes tobacco products that are stored in an area where retail sales are made. Retail Stock is considered to be distributed in this state with excise tax due. If you purchase untaxed tobacco products and only make sales to consumers, your entire inventory is considered retail stock, distributed in this state, and the excise tax is immediately due. Untaxed tobacco products are not considered retail stock if you make sales to other licensees. The untaxed tobacco products must be in the original manufacturer's packaging with an unbroken seal and securely separated from the retail area. (Regulation [4001](#)).

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.

Note: When an out-of-state licensed distributor, and/or an out-of-state licensed distributor who is also a California licensed tobacco products manufacturer, sells tobacco products delivered from outside California to a wholesaler, retailer, or consumer located in California, the wholesale cost is the California customer's wholesale cost (the cost to the customer or the invoiced sales price charged for the tobacco products), prior to any discounts or trade allowances.

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

INSTRUCTIONS - TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

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). Supporting schedules are an integral part of the return and must be submitted with this return. 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 California Department of Tax and Fee Administration for the amount of any tax due. Adjustments or corrections for a prior reporting period should be made on an amended return for that month. Do not show such prior period adjustments/corrections on this return. A duplicate of the return, including all supporting records, should be retained on the licensed premise for verification by CDTFA auditors.

If you sold roll-your-own tobacco in California from nonparticipating manufacturers

You must complete and attach [CDTFA-501-CTT](#), *Tobacco Schedule T*. 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 A.

If you sold electronic cigarettes and vaping products that contain nicotine in California

You must complete and attach CDTFA-810-CTN, *Electronic Cigarettes and Vaping Products that Contain Nicotine Tax Disbursement Schedule*.

PREPARATION OF RETURN

- Line A.** Check box A if you did not sell roll-your-own tobacco from nonparticipating manufacturers for this reporting period. CDTFA-501-CTT, *Tobacco Schedule T*, is not required to be completed if you did not sell roll-your-own tobacco from nonparticipating manufacturers.
- Line 1a. Wholesale cost of all electronic cigarettes and vaping products that contain nicotine distributed.** Enter the wholesale cost of all electronic cigarettes and vaping products that contain nicotine, as defined, distributed (see Regulation 4076). You must complete and attach CDTFA-810-CTN, *Electronic Cigarettes and Vaping Products that Contain Nicotine Tax Disbursement Schedule*.
- Line 1b. Wholesale cost of all other tobacco products distributed.** Enter the wholesale cost of all untaxed tobacco products, except electronic cigarettes and vaping products that contain nicotine, distributed (see Regulation 4076).
- Line 1c. Total wholesale cost of all tobacco products distributed.** Enter the total wholesale cost of all tobacco products distributed by adding line 1a and 1b. Include interstate or foreign commerce sales. Out-of-state licensed distributors must report the cost to the California customer (invoiced sales price charged to a California retailer, wholesaler, or consumer), prior to any discounts or trade allowances, as the wholesale cost.

Caution: Do not include: (1) 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 and Taxation Code section 30123(c) and 30131.2(c)); (2) tax-paid products purchased from another in-state licensed distributor that you subsequently sold; or (3) sales of tobacco products by an out-of-state distributor to an in-state licensed distributor. However, if you are an out-of-state distributor as well as a tobacco products manufacturer or original importer, then you are required to report these nontaxable sales on your [CDTFA-501-TIM](#), *Tobacco Products Manufacturer/Importer Return of Taxable Distributions of Samples in California*, and [CDTFA-501-MIT](#), *Schedule-Manufacturer/Importer Report of Nontaxable Sales of Tobacco Products*.

Note: A licensed California distributor may also be the *original importer of tobacco products* manufactured outside of the U.S. (Revenue and 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 report those sales on your CDTFA-501-MIT, *Schedule - Manufacturer/Importer Report of Nontaxable Sales of Tobacco Products*, which is filed with CDTFA-501-TIM, *Tobacco Products Manufacturer/Importer Return of Taxable Distributions of Samples in 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 1a and 1b of CDTFA-501-CT, *Tobacco Products Distributor Tax Return* 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 1a and 1b 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 and Taxation Code section 30008).
- Line 3. Interstate or foreign passenger common carriers.** Enter the wholesale cost, as defined, of those tobacco products reported on line 1a and 1b 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. (Revenue and Taxation Code section 30104).

PREPARATION OF RETURN (continued)

- Line 4. Other exemptions.** Enter the wholesale cost, as defined, of only those tobacco products reported on line 1a and 1b 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, Navy or Coast Guard ships stores (Revenue and Taxation Code section [30102](#)); (2) tobacco products under internal revenue bond or customs control (Revenue and Taxation Code section [30102.5](#)); (3) tobacco products sold or transferred to a law enforcement agency for use in a criminal investigation (Revenue and Taxation Code section [30103.5](#)); or (4) sales to U.S. Department of Veterans Affairs (Revenue and Taxation Code section [30105.5](#)).
- Caution:* Sales by original importers of tobacco products manufactured outside the U.S. to **licensed** distributors are not taxable (Revenue and Taxation Code section [30105](#)) and must be included on [CDTFA-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 1a and 1b.
- Line 5. Credit on returned tobacco products where you reported tax for a prior reporting period.** Enter the wholesale cost, as defined, of those tobacco products that were returned by the customer during the period covered by this return, but were reported on line 1a and 1b 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 and Taxation Code section [30176.2](#)). If the credit exceeds the liability on line 11, the balance will be refunded.
- Line 6. Total exempt distributions.** Enter the total cost of interstate or foreign commerce, interstate or foreign passenger common carriers, other exemptions, or prior reporting period credits by adding lines 2 through 5 and entering the total on line 6.
- Line 7. Taxable distributions.** Enter the total taxable distributions by subtracting line 6 from line 1c and entering the total on line 7.
- Line 8. Tax rate.** Current tax rate for tobacco products.
- Line 9. Total amount of tax due for tobacco products.** Multiply line 7 by the tax rate on line 8 and enter the result on line 9.
- Line 10. Excess tax collected.** Enter the amount of excess tax collected (Revenue and Taxation Code section [30361.5](#)).
- Line 11. Total amount of tax due.** Enter the total tax due by adding line 9 and 10 and entering the total on line 11.
- Line 12. PENALTY.** If your return and/or tax payment is filed after the due date shown at the top of the return, a 10 percent (0.10) penalty is due. Multiply line 11 by 10 percent (0.10) and enter the result on line 12.
- Line 13. INTEREST.** If you file your return or pay after the due date, you will owe interest. The interest rate on the front of the tax return applies for each month, or fraction of a month, that your payment is late. Multiply the tax due on line 11 by the interest rate then multiply the result by the number of months, including any fraction of a month, that has elapsed since the due date and enter the amount on line 13. You may use the Interest Calculator on our website at www.cdtfa.ca.gov for help calculating the interest due.
- Line 14. TOTAL AMOUNT DUE AND PAYABLE.** Add lines 11, 12, and 13 and enter the total on line 14.

For more information, visit our website at www.cdtfa.ca.gov. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711) from the main menu, select the option *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.