

SPECIAL NOTICE

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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CUSTOMER SERVICE CENTER 1-800-400-7115

CRS **711**

New Law Prohibits Retail Sales of Menthol Cigarettes and Most Flavored Tobacco Products

In November 2022, California voters approved Proposition 31, upholding a 2020 state law that banned the retail sale of menthol cigarettes and most flavored tobacco products in California. The law was, however, on hold pending the outcome of Proposition 31. Visit the California Department of Public Health's website for more information, which includes frequently asked questions, a fact sheet, and other useful resources.

Effective date

The law is effective on the fifth (5th) day after the Secretary of State (SOS) files the final Statement of Vote (certified election results). The SOS has until December 16 to certify the election results. By December 21 at the latest, retailers will be required to stop selling, offering to sell, and possessing with the intent to sell flavored cigarettes and tobacco products banned by the law. However, retailers should be prepared to comply with the law sooner than December 21 should the SOS certify the election results before December 16. Retailers should continue to check the SOS website for the latest information.

Banned flavored cigarettes and tobacco products

Upon the effective date of the law, cigarette and tobacco product retailers, including their employees or agents, may no longer sell, offer for sale, or possess with the intent to sell:

- · Menthol cigarettes;
- Electronic cigarettes or vape devices that contain or are sold with a flavored liquid or element regardless of whether it contains nicotine;
- Flavored eliquids, ejuices, or pods regardless of whether it contains nicotine;
- Components, parts, or accessories of a tobacco product that contains or is sold with a flavored constituent regardless of whether it contains nicotine;
- Flavored little cigars or cigarillos, smokeless tobacco, loose-leaf roll-your-own tobacco, blunt wraps, or rolling papers;
- Tobacco product flavor enhancers.

The law does not apply to flavored premium cigars with a wholesale price (retailer's purchase price) of \$12.00 or more and flavored loose-leaf pipe tobacco. Flavored shisha/hookah may be sold in licensed retail stores that only admit persons 21 or older and operate in accordance with all state and/or local laws.

Sales and use tax and excise tax still applies to any retail sales of banned flavored cigarettes or tobacco products.

Enforcement and penalties

Local law enforcement agencies are authorized to enforce this new law. A retailer who is guilty of an infraction will be subject to a fine of \$250 for each violation.

Local ordinances

Cities and counties may have more restrictive local laws on all flavored cigarettes and tobacco products than those covered under state law. If a local law imposes greater restrictions than state law, then the more restrictive local law will apply in that jurisdiction.

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What do I do if I have banned flavored product?

- Retailers and wholesalers may contact the distributor or wholesaler from whom they purchased the product from and request a refund.
- Distributors may request a refund of the excise tax on returned product only if they reported and paid the excise tax to us. For information on how to initiate a claim for refund on cigarette tax stamps, read publication 63, Cigarette Distributor Licensing and Tax Stamp Guide.

For more information

Senate Bill (SB) 793 (Chapter 34, Statutes of 2020), upheld by Proposition 31, added the flavored tobacco sale prohibition section 104559.5 to the Health and Safety Code.

For more information regarding the California electronic cigarettes excise tax (CECET) requirements for retailers of electronic cigarettes containing or sold with nicotine, read our *Tax Guide for California Electronic Cigarette Excise Tax*. For more information regarding cigarette and tobacco products licensing and taxes, read our *Tax Guide for Cigarettes and Tobacco Products*.

If you have any questions regarding this notice, please call our Customer Service Center at 1-800-400-7115 (CRS:711), then select the *Special Taxes and Fees* option 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.