



COMMONWEALTH of VIRGINIA

***Department of Taxation
Special Taxes and Services***

***P.O. Box 715
Richmond, Virginia 23218-0715***

Attention Tobacco Products Distributors and Retailers:

Effective July 1, 2020, Item 3-5.21 of House Bill 30 (the Appropriation Act) increases the tobacco products tax rates on all products subject to the tax for taxable sales or purchases occurring on and after July 1, 2020. This provision also imposes the tobacco products tax on liquid nicotine products at the rate of \$.066 per milliliter of liquid nicotine, effective July 1, 2020.

Virginia Tax developed the following Frequently Asked Questions to assist those distributors or retailers who might be unfamiliar with the tobacco product rules. Additional information including the Guidelines and Rules for the Tobacco Products Tax will be available on the Virginia Tax website shortly. www.tax.virginia.gov

Q: What is the definition of liquid nicotine?

A: Liquid nicotine is a liquid or other substance containing nicotine in any concentration that is sold, marketed, or intended for use in a nicotine vapor product.

Q: I own a Vape shop and purchase my inventory from a wholesaler who is registered to collect Virginia's Tobacco Products Tax, do I also need to apply for a Tobacco Products permit and remit the tax?

A: No, the Tobacco Products Tax is imposed on the person who brings the untaxed tobacco into Virginia. Since the wholesaler you purchase your inventory from is a permitted Tobacco Product distributor you do not need to apply or register.

Q: I own a Vape shop and do not know if my wholesaler has a Tobacco Products permit, how can I verify if they are permitted?

A: Virginia Tax publishes a list of permitted Tobacco Products Distributors on the Virginia Tax website. The list is updated each month. All permitted distributors are

required to indicate on their invoice containing the sale of Tobacco Products the wording "Virginia Tobacco Products Tax Paid", as of July 1, 2020 this is also required for the sale of liquid nicotine. You can find the published Tobacco Distributors list at www.tax.virginia.gov

Q: The wholesaler I purchase from is not a permitted Tobacco Products Distributor, how do I register to pay the monthly Tobacco Products Tax and become permitted.

A: To become licensed and pay the monthly Tobacco Products Tax, complete the application Form TT-1 and Form TT-1 Schedule A. Please note an application can take 90 days to process. As we transition liquid nicotine into the definition of Tobacco Products, the Tobacco Products guidelines allow a retailer or wholesaler to purchase untaxed Tobacco Products without a Tobacco Products Permit between July 1, 2020 and January 1, 2021 as long as the Tobacco Products Tax is paid. To register to pay the Tobacco Products Tax before your license is issued, file your return on-line and Virginia Tax will register you for the tax. You can also call the tobacco unit, a temporary Tobacco Products account number will be assigned. 804.371.0730

Q: I own a tobacco store that also sells liquid nicotine. I purchase my tobacco and liquid nicotine from two wholesalers. One is permitted and the other is not, do I need to obtain an Tobacco Products Permit and remit the tax?

A: Since you purchase from a wholesaler that is not permitted, you will need to apply for a Tobacco Products Permit and remit the monthly Tobacco Products Tax for the inventory you sold which was purchased from the wholesaler that does not have an Tobacco Products Permit.

Q: I am a wholesaler who sells liquid nicotine, I already have a Tobacco Products Distributors permit. Do I need to apply for a new permit?

A: If you are already have a Tobacco Products Permit, you do not need to apply for a new permit. You would simply begin paying the Tobacco Products tax for sales of liquid nicotine beginning on your July 2020 Form TT-8 due August 20, 2020.

Q: I am liable for paying the monthly Tobacco Products Tax, how do I file a return and remit the tax?

A: The Tobacco Products Tax Return, Form TT-8 is filed electronically, using Virginia Tax Eforms. The Tobacco Products Tax Returns are filed on a monthly basis and due on or before the twentieth of the following month. Virginia Tax will accept your payment via ACH Debit or Credit. The on- line portal can be found at www.tax.virginia.gov

Q: I sell vapor product that does not include nicotine, is the Tobacco Products Tax due on this product.

A: No, the Tobacco Products Tax is due on Vape product which includes nicotine.

Q: Is the Tobacco Products due when I purchase inventory or when I sell the inventory.

A: The Tobacco Products Tax is not due until you sell the inventory, the tax is calculated based on the manufacturer's sales price. If you are unable to determine the manufacturer's sales price, you may use the purchase price to to compute the tax liability.

Q: Who can I contact with additional questions?

A: You can call the Virginia Department of Taxation- Tobacco Unit at 804.371.0730 or email tobaccounit@tax.virginia.gov