



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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Tobacco and Vapor Products Tax Licensing Notice

Please be advised that a new law (P.L. 2019, c. 147) enacted on June 30, 2019, imposes a new tax rate on container e-liquid sold by the vaping industry. The law also requires sellers in New Jersey's vaping industry to be licensed and includes new tax filing requirements.

New Definitions

Container e-liquid: A container of liquid nicotine (i.e., e-liquid bottle) or other liquid sold, marketed, or intended for use to fill or refill an electronic smoking device. The law does not apply to prefilled cartridges or other canisters sold, marketed, or intended for use as part of an electronic smoking device.

Vapor business: A retail business that derives more than 50% of its sales from electronic smoking devices, related accessories, and liquid nicotine. A retailer that does not sell container e-liquid is not a vapor business.

New Licensing Requirements

Container e-liquid cannot be sold at retail stores in the State except by a licensed vapor business.

Businesses that intend to operate as a vapor business and sell container e-liquid must now be registered **and** licensed. Each license is valid for one year. Enclosed is a copy of the Vapor Business License application package.

Every retail vapor business must complete Form VB-R, Vapor Business License Application, in its entirety and mail it to the New Jersey Division of Taxation with the required \$50 fee. Any vapor business that does not properly complete the form, along with the required fee, will not receive a Vapor Business License from the State of New Jersey. If your application is approved, the Division of Taxation will then issue a Vapor Business License.

If a vapor business has more than one location, it must apply for a separate license for each location that sells container e-liquid.

The license period of operation begins on April 1 and expires on March 31. The licensee must renew the license each year prior to the expiration date of March 31 for the new one-year operating period. No license can be issued without the payment of the \$50 fee. Fees for a license are not prorated.

If your business also sells tobacco and/or other nicotine products that were purchased tax-free (untaxed), you must also register for the Tobacco and Vapor Products Tax Certificate of Authority. Form TPT-R must be completed and submitted to the New Jersey Division of Taxation. Form TPT-R can be found at:

https://www.state.nj.us/treasury/taxation/pdf/other_forms/tobacco/tpt-r.pdf

If the TPT-R application is approved, the Division of Taxation will then issue a Tobacco and Vapor Products Tax Certificate of Authority. This certificate allows a seller to sell tobacco and other nicotine products.

There is no fee for a Tobacco and Vapor Products Certificate of Authority. However, a separate Certificate of Authority is required for each business location.

If you fail to apply for the vaping license, register for the Tobacco and Vapor Products Tax, or follow all laws governing the tax, then you may be subject to fines or other penalties – including the seizure of any untaxed container e-liquid and tobacco products that you possess.

New Tax Rate and Effective Date

Beginning November 1, 2019, sellers must collect tax on container e-liquid at the rate of 10% of the listed retail sale price. The seller is personally liable for the tax collected.

Tax rates on other tobacco products are unchanged.

Under the Tobacco and Vapor Products Tax Act, sellers are still required to collect a 30% tax on the wholesale price of tobacco products, excluding moist snuff; 75 cents per ounce on moist snuff; and 10 cents per fluid milliliter on liquid nicotine in a pre-filled cartridge or other container where the cartridge or container is marketed, sold, or intended for use as part of an electronic smoking device.

Filing Requirements and Forms

Vapor businesses may have to file two forms with the Division each month:

- 1) Form VB-100 is required to be filed to remit tax collected on sales of container e-liquid. This return (form) is filed monthly and is due on the 20th day of the following month. The vapor business must report all gross receipts on Form VB-100 from the retail sale of container e-liquid sold during the entire month. This return (form) must be filed monthly even when there are no activities;
- 2) Any business that has obtained a Tobacco and Vapor Products Certificate of Authority also must file a Tobacco Products Tax Return (known as Form TPT-10). This form must be filed on a monthly basis on or before the 20th day of the following month. Gross receipts from the sale of container e-liquid cannot be reported on Form TPT-10.

Additional Information

New Jersey Division of Taxation employees are available to help you understand these changes. Email us at Tobacco.tax@treas.nj.gov if you need assistance or have any questions.