

## About This Document

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The goal of the Division of Taxation is to promote compliance with all state tax obligations. Imperative to this goal is fostering voluntary compliance with the tax laws by instilling public confidence through professional, impartial, and ethical conduct.

Business owners in Rhode Island are responsible for several different state taxes. This document is designed to promote and encourage compliance with Rhode Island tax laws, as well as a better understanding of how tax applies to your business.

## Summary

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Your business may be impacted by recent legislation passed in Article 6 of the Governor's Fiscal Year 2025 Budget, effective January 1, 2025. Some of the major changes are as follows:

- A tax on electronic nicotine-delivery system (ENDS) products, commonly known as vapes, at a rate that depends on the product.
- Purchases of ENDS products, and all other tobacco products (except for cigars), for sale at retail must be from a distributor with a Rhode Island license.
- Flavored ENDS products are prohibited.

## Electronic nicotine-delivery system (ENDS) products tax

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Effective January 1, 2025, Rhode Island law imposes an excise tax on electronic nicotine-delivery system (ENDS) products. A tax is imposed on ENDS products at a rate of either (1) \$0.50 per milliliter of the electronic liquid contained within an ENDS product that is prefilled and not refillable, or (2) 10% of the wholesale cost of any other ENDS product.

## Purchases of cigarettes, ENDS products, and all other tobacco products (except for cigars) for sale at retail must be from a distributor with a Rhode Island license

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Effective January 1, 2025, Rhode Island law mandates the purchases of all cigarettes, ENDS products, and other tobacco products, from a distributor with a Rhode Island license. This requirement does not apply to the purchase of cigars.

Any retailer having in their possession cigarettes, ENDS products, and all other tobacco products, must maintain purchase invoice records on the premises and ensure permanency and accessibility for inspection by the Division of Taxation. All purchases of these products (except for cigars) must be made from a distributor with a Rhode Island license.

ENDS products purchased by a licensed dealer from anyone other than a distributor with a Rhode Island license are contraband.

## **The sale of flavored ENDS products is prohibited**

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The sale, or offer for sale of, or the possession with intent to sell or to offer for sale, flavored ENDS products to individuals within Rhode Island is prohibited. “Flavored electronic nicotine-delivery system product” means any electronic nicotine delivery system product that imparts a characterizing flavor.

Examples of characterizing flavors include, but are not limited to, any fruit, mint, chocolate, honey, or spice or which impart a cooling or numbing sensation.

The taste or aroma of tobacco or menthol is not considered a characterizing flavor.

## **Contact Us**

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State of Rhode Island Division of Taxation

Excise Tax Section

One Capitol Hill  
Providence, RI 02908

Phone: (401) 574-8955

Email: [Tax.Excise@tax.ri.gov](mailto:Tax.Excise@tax.ri.gov)

Website: [www.tax.ri.gov](http://www.tax.ri.gov)

Taxpayer Portal: [www.taxportal.ri.gov](http://www.taxportal.ri.gov)



STATE OF RHODE ISLAND

## **Division of Taxation**

Department of Revenue



**Legislative Changes Impacting  
Licensing and Sale of Cigarettes, Other  
Tobacco Products, and Electronic  
Nicotine-Delivery System Products**