



Rhode Island Department of Revenue Division of Taxation

NOTICE:

To all Cigarettes, Other Tobacco Products (OTP), and
Electronic Nicotine-Delivery System (ENDS) Products Distributors

This Notice is to inform you of the requirements to renew a Cigarettes, OTP, and ENDS distributor license through the Rhode Island Division of Taxation. The Division of Taxation is developing a unified license application for cigarettes, OTP, and ENDS products for distributors that will be available on its website at <https://tax.ri.gov/forms/business-tax-forms/sales-excise-forms> on December 1, 2024.

Effective January 1, 2025, only Rhode Island-licensed distributors may sell cigarettes, OTP, and ENDS products in Rhode Island and a RI-licensed distributor can only sell these products to other RI-licensed distributors or RI-licensed dealers. This requirement does not apply to cigars.

Any new licenses on and after January 1, 2025, must be obtained through the Division of Taxation. All ENDS distributor licenses issued by the Department of Health in effect as of January 1, 2025 must be renewed prior to July 1, 2025.

Statutory Requirements

Distributors must meet certain requirements to obtain or renew the new unified distributor license authorizing the sale of cigarettes, OTP, and ENDS products. They must sell cigarettes, OTP, and/or ENDS products for the purpose of resale only; provided that seventy-five percent (75%) of all products are sold by the distributor directly to at least forty (40) Rhode Island-licensed dealers.

In addition to complying with all licensing and compliance requirements of the Division of Taxation, all distributors must also register with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and comply with the federal Prevent All Cigarette Trafficking (PACT) Act requirements. The PACT Act includes regulation requirements for cigarettes, OTP, and ENDS products. For more information on the PACT Act visit <https://www.atf.gov/alcohol-tobacco/prevent-all-cigarette-trafficking-pact-act>.

To assist licensed dealers with complying with the law requiring the purchase of cigarettes, OTP, and ENDS products solely from Rhode Island-licensed distributors, the Rhode Island Division of Taxation will be posting all Rhode Island-licensed distributors on its website, www.tax.ri.gov prior to the effective date of January 1, 2025. Distributors will apply for or renew their licenses by following the process outlined on the Division of Taxation's website.

PLEASE REMEMBER: There is a statutory flavor ban that will be in effect on and after January 1, 2025. Any flavored ENDS products will be seized as contraband by the Division of Taxation starting January 1, 2025. The flavor ban includes ENDS products with a "characterizing flavor" (other than tobacco or menthol) as defined by law and encompasses products that have a taste, aroma, or are labeled or marketed as flavored in any way.

Contact Information

For questions about this Notice, contact the Rhode Island Division of Taxation's Excise Tax Section by email at Tax.Excise@tax.ri.gov, or by telephone at (401) 574-8955, between 8:30 a.m. and 3:30 p.m. on business days.