



Rhode Island Department of Revenue Division of Taxation

NOTICE:

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

This Notice is to inform you of the requirements needed to comply with the upcoming "Floor Tax" on ENDS products mandated by law passed during the 2024 session of the Rhode Island General Assembly.

"Electronic nicotine-delivery system" or ENDS, means an electronic device that may be used to simulate smoking in the delivery of **nicotine or any other substance** to a person inhaling from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo, electronic little cigars, electronic pipe, electronic hookah, e-liquids, e-liquid products, or **any related device** and any **cartridge or other component** of such device. Related devices include, but are not limited to, coils, batteries (specifically sold with ENDS products), vapor box mods, and atomizers, used in the delivery of **nicotine or any other substance**.

"Electronic nicotine-delivery system products" or ENDS products, commonly known as vapes or vape products, means any combination of electronic nicotine-delivery system and/or e-liquid and/or any derivative thereof, and/or any e-liquid container. Electronic nicotine-delivery system products shall include hemp-derived consumable CBD products as defined in R.I. Gen. Laws § 2-26-3.

The new tax on ENDS products includes a tax on existing inventory as of January 1, 2025, as well as any purchases on or after January 1, 2025. The tax on existing ENDS products inventory, is known as a floor tax. All ENDS products as of January 1, 2025, will be taxed at the following rates:

For an ENDS product that is prefilled and not to be refilled, \$0.50 per milliliter of the electronic liquid (e-liquid) contained within; and

For all other ENDS products, 10% of the wholesale cost of the ENDS products.

Please note the following:

An ENDS Floor Stock Tax Return (enclosed) is required to be completed **after the close of business on January 1, 2025** and returned to the Division of Taxation with full payment on or before January 16, 2025. **Failure to remit the floor stock tax return may result in a full audit of your business.**

The ENDS Floor Stock Tax Returns are **not** subject to Rhode Island's Electronic Filing Mandate and cannot be filed or paid on the Rhode Island Taxpayer Portal. You must file using the enclosed ENDS Floor Stock Tax Return. Return the completed form to the Division of Taxation by mail or by using the Division's drop box located at One Capitol Hill, with payment by check on or before the January 16, 2025 due date. All future filings for ENDS can be filed and paid on the Taxpayer Portal, and may be subject to the Electronic Filing Mandate.

Please be advised: Personnel from the Rhode Island Division of Taxation may conduct an inventory count verification at your location. If the taxpayer does not file an ENDS Floor Stock Tax Return, the Division of Taxation has the right to estimate the tax liability regarding the taxpayer's ENDS Floor Stock.

Contact Information

For questions about this Notice, contact the Rhode Island Division of Taxation's Excise Tax Section by telephone at (401) 574-8955, by email: Tax.Excise@tax.ri.gov, or by mail: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

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