INSTRUCTIONS FOR COMPLETING THE ENDS-1 RETURN:

Who Must File and Frequently Asked Questions (FAQs):

We encourage you to use this link, https://tax.ri.gov/tax-sections/sales-excise-taxes/ENDS-tax, to familiarize yourself with important information regarding licensing, sales, filing and tax payment requirements for all manufacturers, importers, and distributors selling **Electronic Nicotine-Delivery Systems (ENDS) aka "Vapes"** to Rhode Island dealers on or after January 1, 2025. There are helpful FAQs, Resources, and other helpful links.

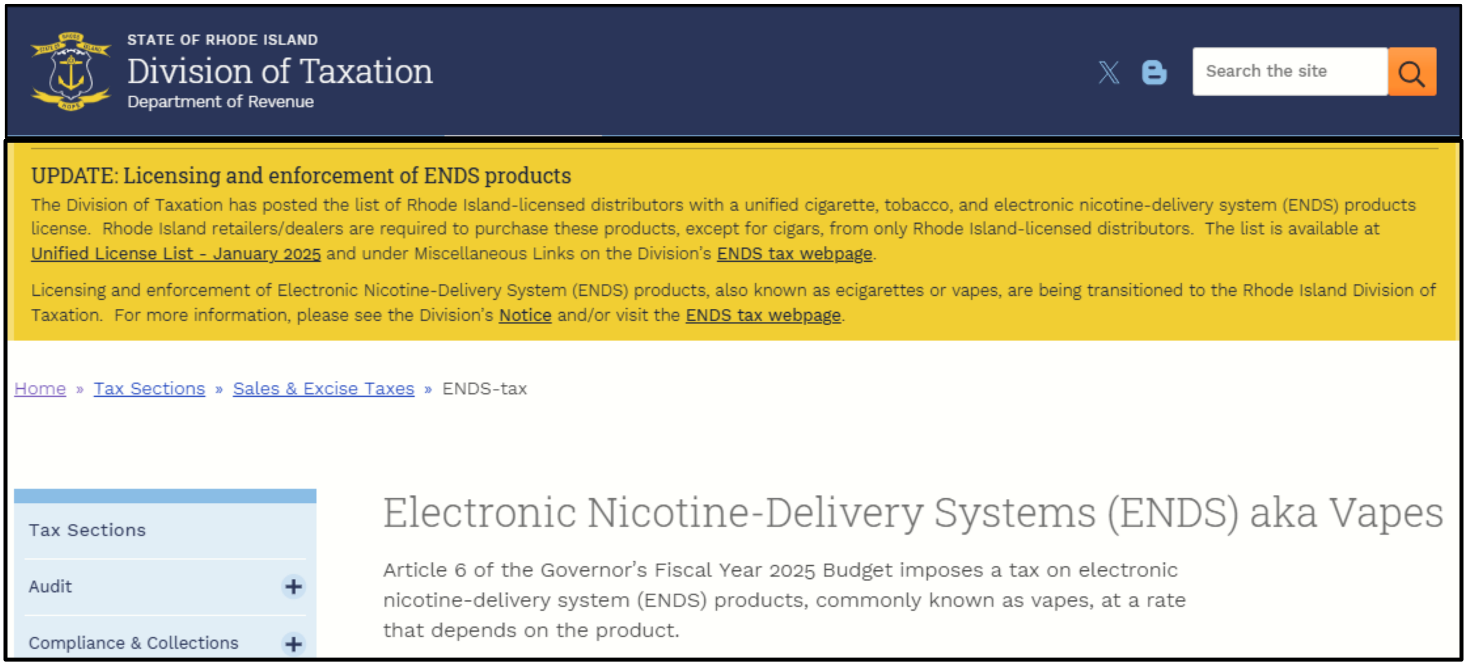


Figure 1: Division of Taxation Website-ENDS Products Tax

The ENDS-1 Electronic Tax Form Overview:

The ENDS-1 form contains five (5) schedules. Four (4) of the schedules will require you to enter specific, detailed information about the ENDS products inventory you sold or distributed as either a *"RI Resident Distributor"* or *"Non-Resident Distributor"* for each month.

The ENDS-1 form must be filed and tax paid on the Division of Taxations Taxpayer Portal each month and submitted by the 10th of the month following the sale (for example, the month ending January 31, 2025, the ENDS-1 must be filed/paid by February 10, 2025). When you file and pay on the Portal, the "postmark date" of your transaction is set (without delay) to the current date.

Before You Begin - Documents You Will Need to Complete the ENDS-1 Form:

Any distributor with ENDS products in their possession must maintain records on the premises and make available for inspection by the Division of Taxation upon request. From these records, you will use your sales invoices and purchase invoices to complete the ENDS-1 tax schedules. Information required from the invoices include:

- Invoice Date and Number
- Vendor/Customer Name and Address
- Description of the Products

- Total Amount per Invoice (this could be the Wholesale Cost dollar amount or the total milliliters of ENDS products either brought into Rhode Island or exported from Rhode Island)

Let's Begin: Instructions to Complete the ENDS-1 Form

The ENDS-1 form is comprised of five (5) Schedules represented by a "tab" on the form. Four (4) of the Schedules also have an associated "Total" tab. On the Schedule tab, you enter the details from the sales and purchase invoices that you have gathered. You do not need to enter data on the Total tabs. The system will automatically calculate the value when you use the CALCULATE button.

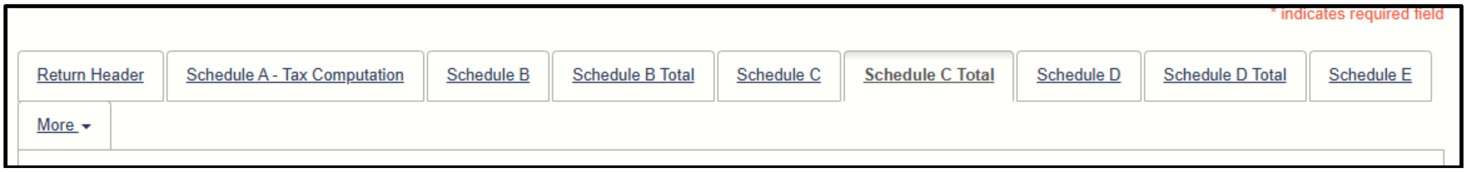


Figure 2: ENDS-1 Schedules/Tabs

Schedule A - Tax Computation:
Schedule A is the first page presented on the ENDS-1 form. Several of the nine (9) line items are automatically completed for you once you enter information on any of the other four (4) Schedule tabs and click the CALCULATE button. Because of this helpful feature, you need to select either *RI Resident Distributor* or *Non-Resident Distributor* and you can wait to complete this tab until all Schedule details are entered. See section below **Completing and Submitting the ENDS-1** for further instructions.

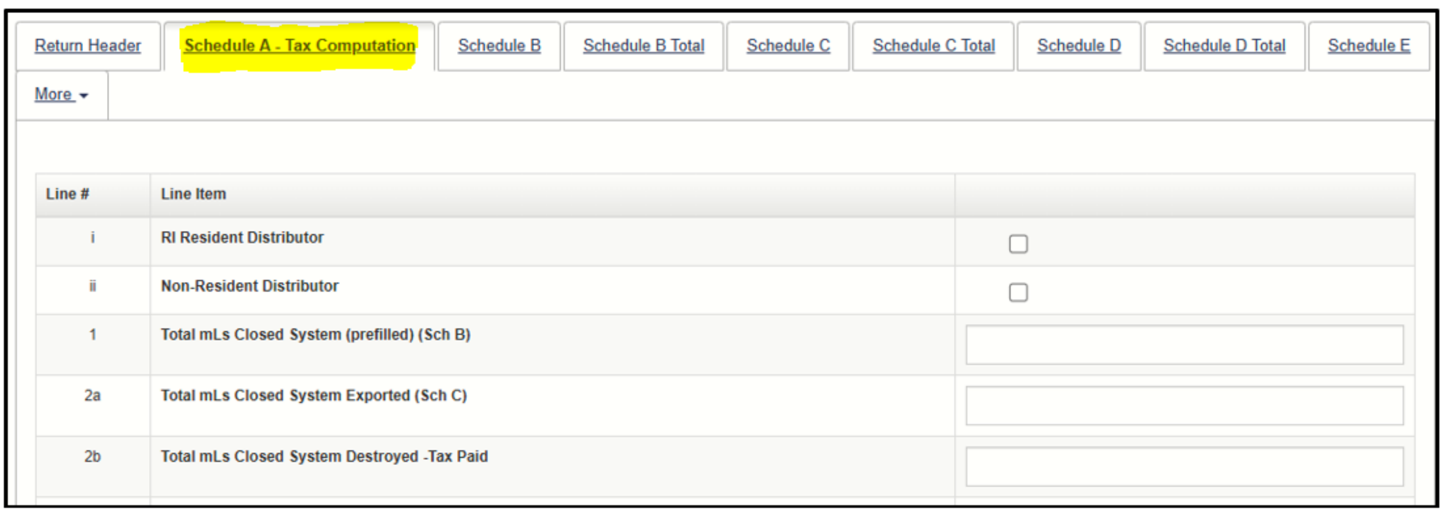


Figure 3: Schedule A – Tax Computation

The Four Schedules—Determining Which One(s) to Complete:

Deciding which Schedule to complete is based on a few factors:

- Are you a “RI Resident Distributor” or a “Non-Resident Distributor”?
- Which type of ENDS products do you sell or purchase:
  - “Closed Systems” (pre-filled/disposable), or
  - “Open Systems” (other ENDS, e-liquid and/or e-liquid products), or
  - Both.
  - **NOTE:** ***Go to*** ENDS_Distributor_FAQs_2024.pdf ***for a list of product types.***

Schedules Described:

Schedule B: Summary of Milliliters of Prefilled (Closed System) Products

- *RI Resident Distributor*: Provide a list of invoices with the total milliliters of purchased or acquired ENDS prefilled products, e-liquid and/or e-liquid products. (Referred to as “closed” systems)
- *Non-Resident Distributor*: Provide a list of sales invoices with the total milliliters sold to Rhode Island customers. (Referred to as “closed” systems)

Schedule C: Summary of Milliliters of Exported Prefilled (Closed System) Products

- *RI Resident Distributor*: Provide a list of sales invoices with the total milliliters for ENDS prefilled products, e-liquid and/or e-liquid products (referred to as “closed” systems) sold to out-of-state customers.
- *Non-Resident Distributor:* Do not use this schedule. Make sure you have *Non-Resident Distributor* on **Schedule A-Tax Computation**, checked.

Schedule D: Summary of Wholesale Cost of ENDS Open System Products

- *RI Resident Distributor*: List the invoices from vendors from whom you purchased or acquired all other ENDS products. (Referred to as “open” systems). The amount is the cost of the ENDS products before any discounts, allowances, rebates or reductions (known as the “wholesale cost”) .
- *Non-Resident Distributor*: You must list the “wholesale cost” on sales invoices to Rhode Island customers for all other ENDS products. Make sure you have *Non-Resident Distributor* on Schedule A-Tax Computation, checked.

Schedule E: Summary of Wholesale Cost of Exported ENDS Open System Products

- *RI Resident Distributor*: Provide a list of sales invoices with the total **“wholesale cost”** for all other ENDS prefilled products, e-liquid and/or e-liquid products. (Referred to as “open” systems) shipped to out-of-state customers.
- *Non-Resident Distributor:* Do not use this schedule. Make sure you have *Non-Resident Distributor* on **Schedule A-Tax Computation**, checked.

Selecting a Schedule:

Using your mouse, click on the Schedule tab. **NOTE: Read the title of the Schedule to better understand which product invoices should be included.**

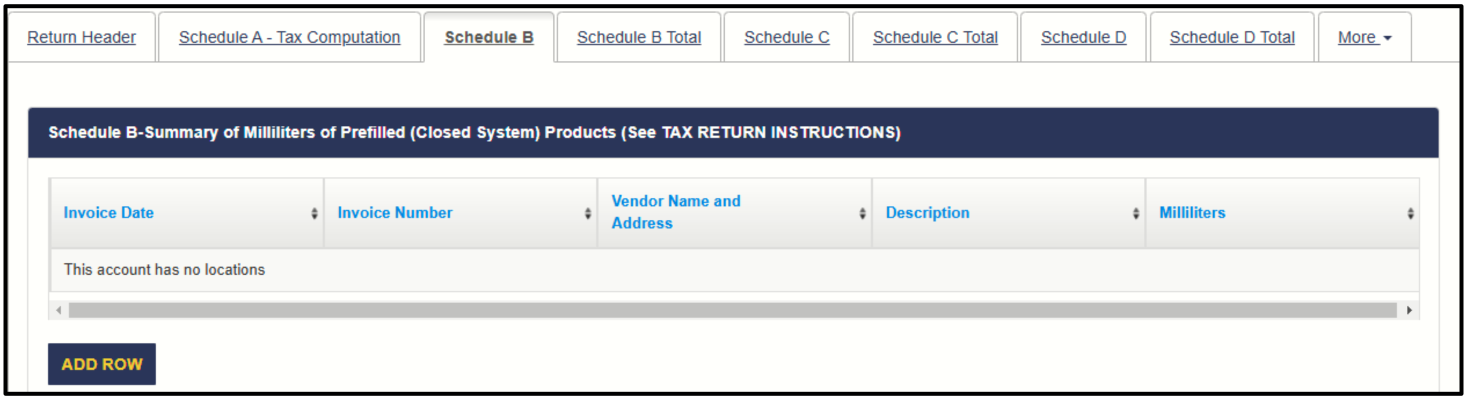


Figure 4: Blank Schedule

Adding a New Invoice:

To begin a new invoice, click the ADD ROW button. The Portal system will present a new row with no information in the columns.

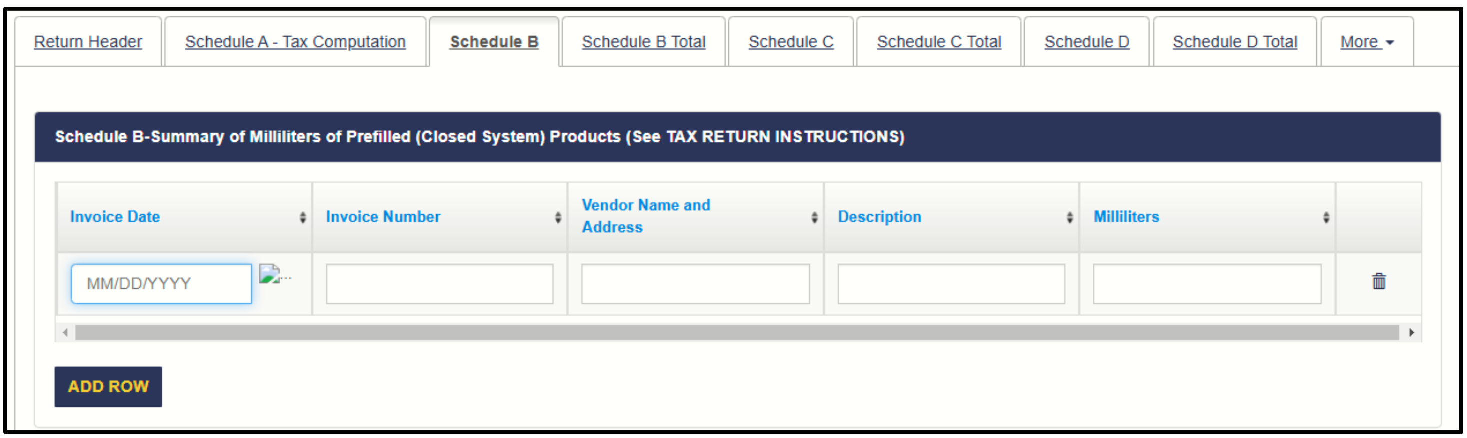


Figure 5: Schedule after Adding a Row

Suggestions for Entering Data in the Schedules:

1. Complete the entire row (moving left to right) before adding a new row.
2. To move from box to box, use either your mouse (click in each box), or use the <TAB> key on your keyboard to hop from box to box.
3. For the Invoice Date, enter it in 'mmddyyyy' format and the Portal will add the slashes (/) between the numbers.
4. No need to enter a dollar ($) sign before an amount and **DO NOT** round the amount. Enter an accurate amount including the part of the dollar (cents). Do not enter negative numbers.
5. For Schedules B and C, enter the precise number of milliliters. **DO NOT** round up or down. You can add up to <u>two decimal places</u> (for example, 10000.50). **NOTE: the page will show you six (6) decimal places, but only enter two (2).**

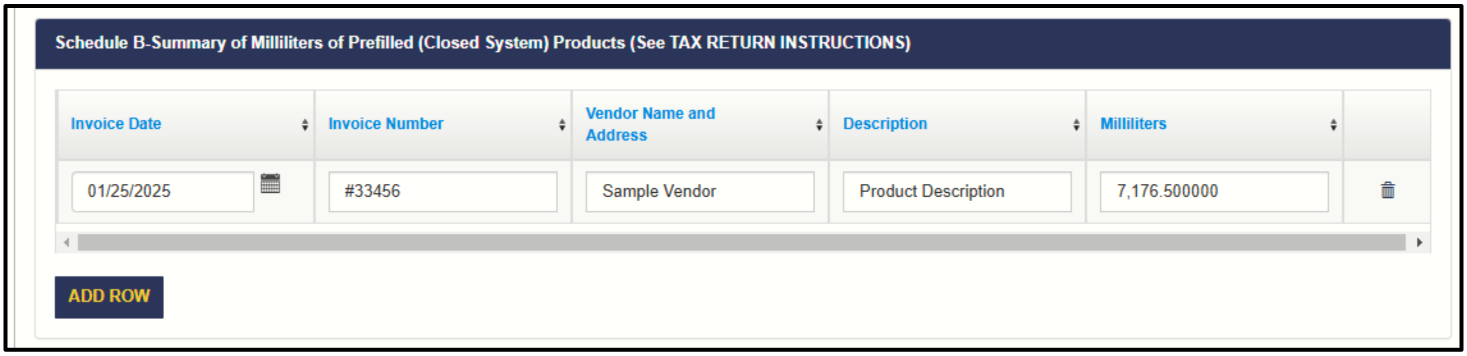


Figure 6: First Invoice Completed

Adding More Invoices:

Continue to use the ADD ROW button to enter more invoices.

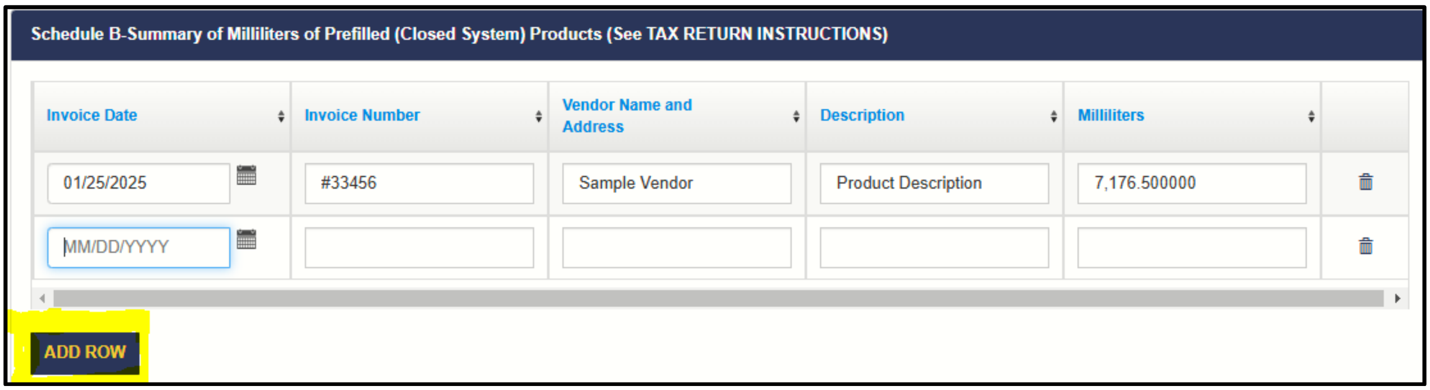


Figure 7: Adding a New Invoice

Submit Invoice Information Using the Attachments Feature:

An option for entering many rows (greater than 10) of Invoice information is to use the **Attachment** tab. Go to the section in this document called **Instructions for Using Attachments** for instructions.

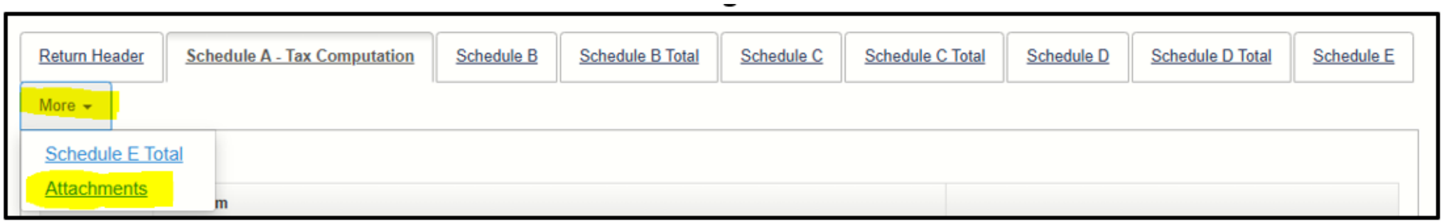


Figure 8: The Attachments Feature

Important Buttons and Functionality:

Before you move to the next Schedule, click on the SAVE AND CONTINUE button.

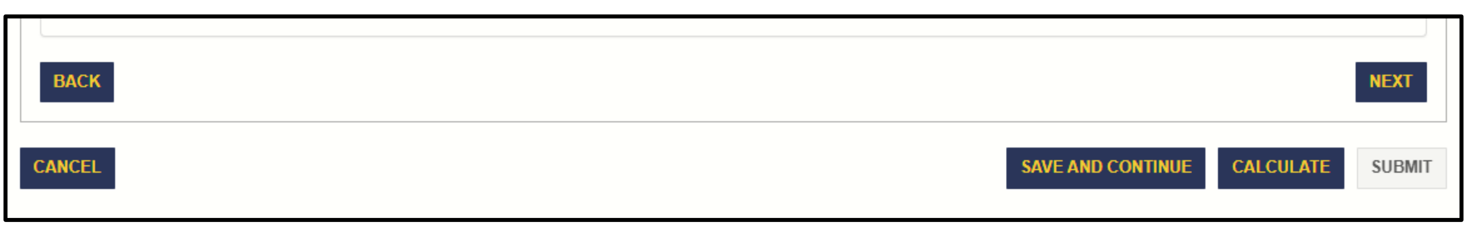


Figure 9: Buttons on the ENDS-1 form

SAVE AND CONTINUE: **VERY IMPORTANT!!**

1. To protect the confidentiality of your tax data, the Portal will “time out” and bring you back to the Login page if you are not actively saving your information. When adding multiple rows of invoice data on a schedule, it is VERY important that you occasionally click on the SAVE AND CONTINUE button. It is recommended that after the 5th row is entered, or any time you stop entering the data, click SAVE AND CONTINUE to protect your work. You may click SAVE AND CONTINUE as many times as you need to, but you must remain within the enter tax return page.

CANCEL: This button will exit you from the ENDS-1 form. You will get a warning message letting you know that you will lose your changes. If you wish to continue working on the document, click ‘Cancel’ on the warning message to go back and complete the form.

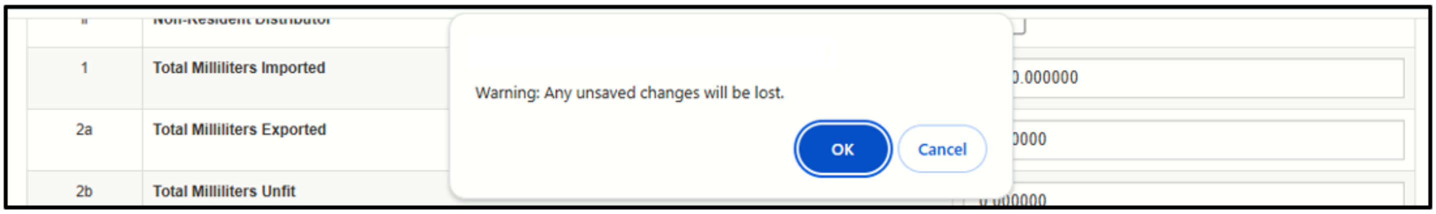


Figure 10: Cancel Button Warning

Instructions for Using Attachments:

There are times when it is not efficient or practical to enter numerous rows on the Schedules. If you have more than ten (10) invoices to enter, you may choose to add a document summarizing the purchases or sales. On the Schedule, you will use the words “See Attachments” in place of invoice information (see Figure 11 below).

Steps:

1. Go to the specific ENDS-1 schedule (Sch B, C, D, E) and add one (1) row.
2. Columns and values:
   a. Invoice Date: Use the last day of the filing period
   b. Invoice Number: *See Attachments*
   c. Vendor Name and Address: *See Attachments*
   d. Description: *See Attachments*
3. Milliliters/Amount:
   a. For both Schedules B & C, calculate the **total amount of milliliters** from all your invoices for ENDS pre-filled products (i.e., closed systems). Enter this number in this box.
   b. For both Schedules D & E, calculate the **grand total dollar amount** from all your invoices of the Wholesale Cost of all Other ENDS Products (i.e. open systems).

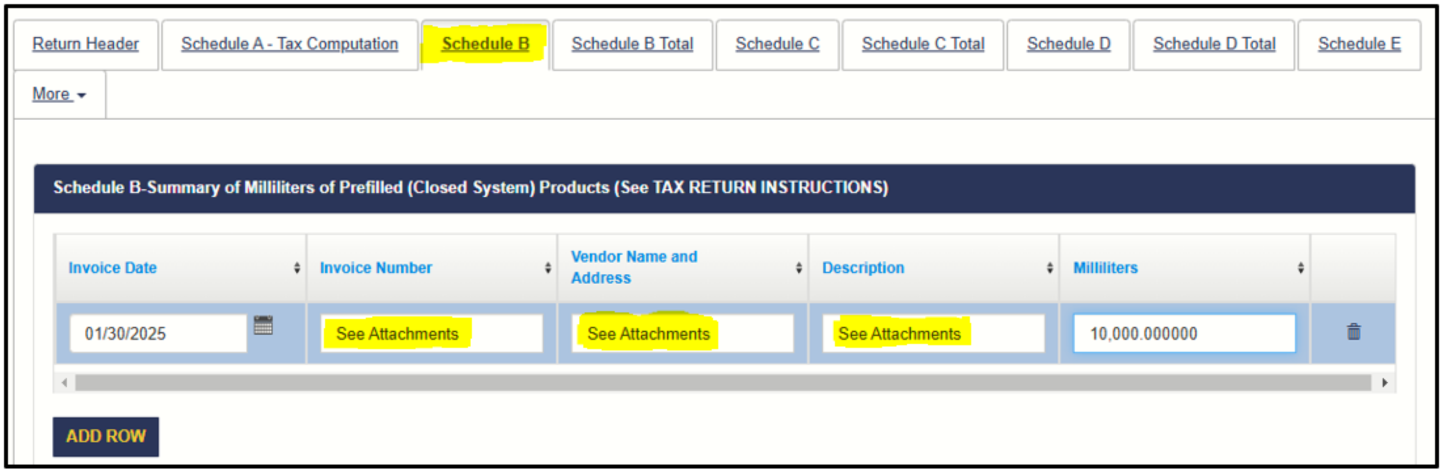


Figure 11: Create a Summary Row for an Attachment

Creating an Attachment:

As an alternative to providing the details from the sales and purchases invoices on the Schedules, you may provide the same information in a document. Below are guidelines to follow for an acceptable attachment:

1. DO NOT ATTACH INDIVIDUAL INVOICES.
2. On the document, provide a one (1) line summary of the information on each invoice. The document must include the following information:

For Schedule B and Schedule C:

Invoice Date	Invoice Number	Vendor Name & Address	Product Description	Milliliters

For Schedule D and Schedule E:

Invoice Date	Invoice Number	Vendor Name & Address	Product Description	Amount($)

This document can be created using a variety of software applications such as Excel, Word, or scanned copies of reports created by accounting software used by your business. Regardless of file type, it MUST include (at a minimum), Invoice Date, Invoice Number, Vendor Name & Address, Product Description, Milliliters, and Amount($). See Figure 12 below.

Document Name:

Avoid document names that have special characters in it (e.g. #, !, &, *, %). Since there are four (4) possible schedules, make the name of the document clear to indicate the Schedule that it represents (sample name: *SchedB-2025*).

How to Upload the Document:

1. Read the **Allowable File Types**.
2. Select ADD FILES button.
3. Select a document from your computer.
4. Select START or START UPLOAD
5. Attachment Type = Tobacco Products Sold
6. Continue in the same manner to add additional documents.
7. Click SAVE AND CONTINUE.

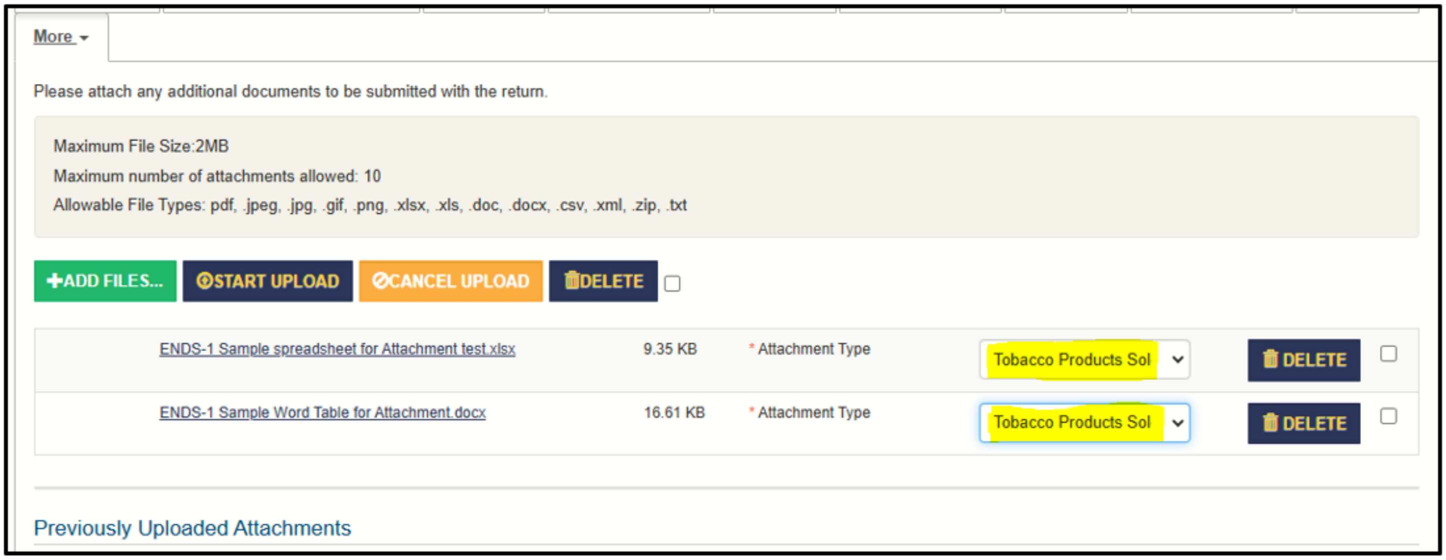


Figure 12: Attachment

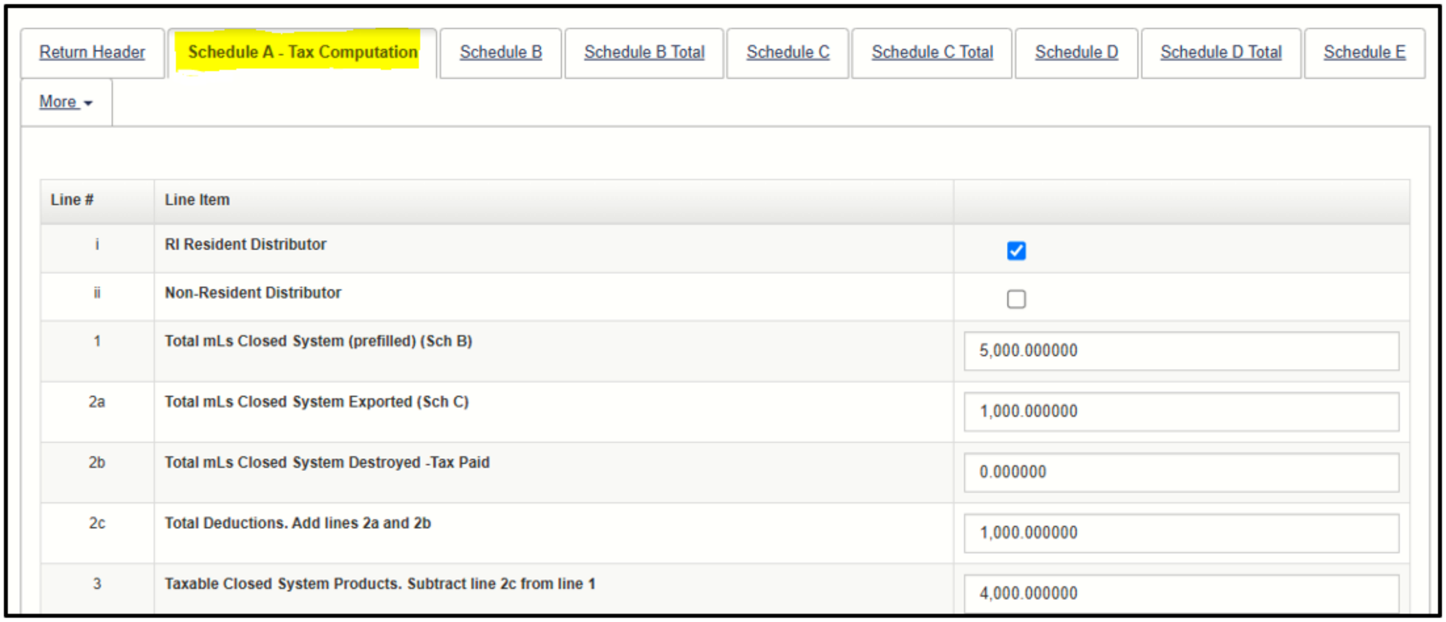
Completing the ENDS-1 Form:

Once you have completed your schedules, click the CALCULATE button. The Portal will bring you to **Schedule A-Tax Computation** tab with all appropriate line items automatically calculated. Before submitting your return:

1. Confirm that you have selected the appropriate checkbox for **RI Resident Distributor** or **Non-Resident Distributor.**

2. Verify the totals that appear on the line items match your records. If there are any discrepancies, you need to go to the appropriate schedule to make changes. **Note: Simply changing the line item totals on Schedule A will not correct the discrepancy. These amounts are automatically calculated from the Schedules.** (See Figure 13 below).

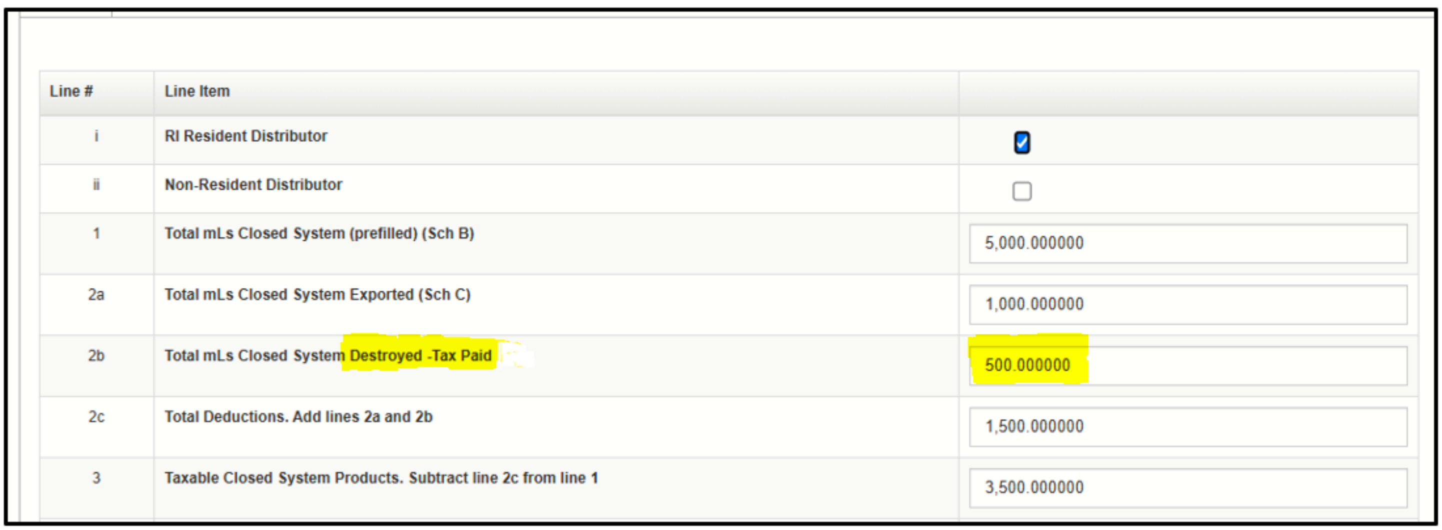
3. If you need to report tax paid on a previously filed return for product that was destroyed or damaged, enter the total milliliters for the product on **Line 2b** (for Closed/Prefilled Systems) or total wholesale cost on **Line 6b** (for Open Systems).



Return Header | Schedule A - Tax Computation | Schedule B | Schedule B Total | Schedule C | Schedule C Total | Schedule D | Schedule D Total | Schedule E | More

Line #	Line Item	
i	RI Resident Distributor	☑
ii	Non-Resident Distributor	☐
1	Total mLs Closed System (prefilled) (Sch B)	5,000.000000
2a	Total mLs Closed System Exported (Sch C)	1,000.000000
2b	Total mLs Closed System Destroyed -Tax Paid	0.000000
2c	Total Deductions. Add lines 2a and 2b	1,000.000000
3	Taxable Closed System Products. Subtract line 2c from line 1	4,000.000000

Figure 13: Calculated Schedule A-Tax Computation



Line #	Line Item	
i	RI Resident Distributor	☑
ii	Non-Resident Distributor	☐
1	Total mLs Closed System (prefilled) (Sch B)	5,000.000000
2a	Total mLs Closed System Exported (Sch C)	1,000.000000
2b	Total mLs Closed System Destroyed -Tax Paid	500.000000
2c	Total Deductions. Add lines 2a and 2b	1,500.000000
3	Taxable Closed System Products. Subtract line 2c from line 1	3,500.000000

Figure 14: Adding Tax Paid on Damaged or Destroyed Product

Submitting the ENDS-1 Return to the Division of Taxation:

SUBMIT: **VERY IMPORTANT!!**

This button begins the process of filing (submitting) your ENDS-1 return with the Division of Taxation. It is not available until you CALCULATE your return. Failure to submit your return may result in interest and penalties. In addition, this button generates a "postmark date" proving your return was filed on time.

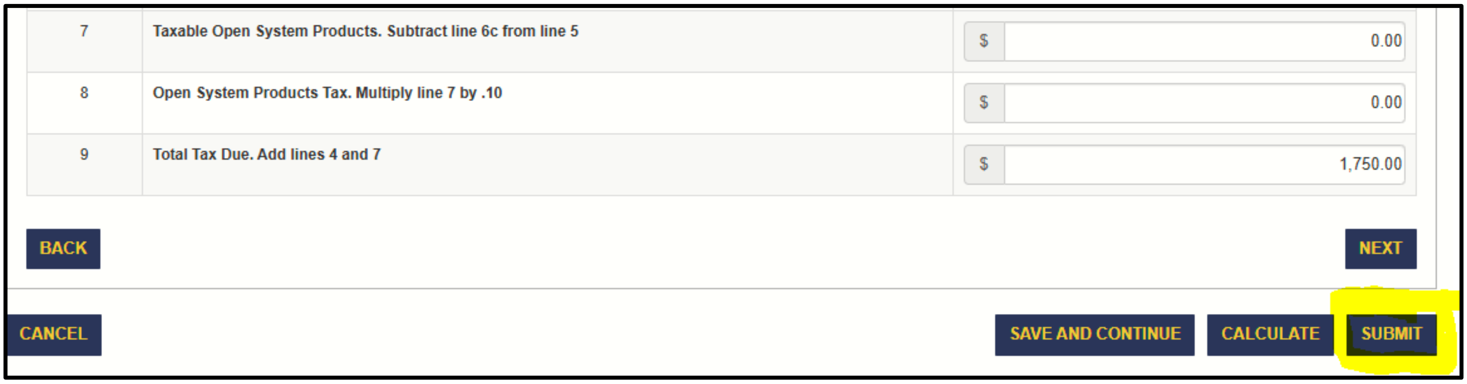


Figure 15: Submitting/Filing the ENDS-1 Return

The **Summary Information** page displays the Total Tax and forecasted Penalty and Interest amounts.

1. If the *Total Tax* amount does not match what your records indicate, you have an opportunity to go back to the return by clicking the BACK button and reviewing/correcting the data on the Schedules and calculating and submitting again.

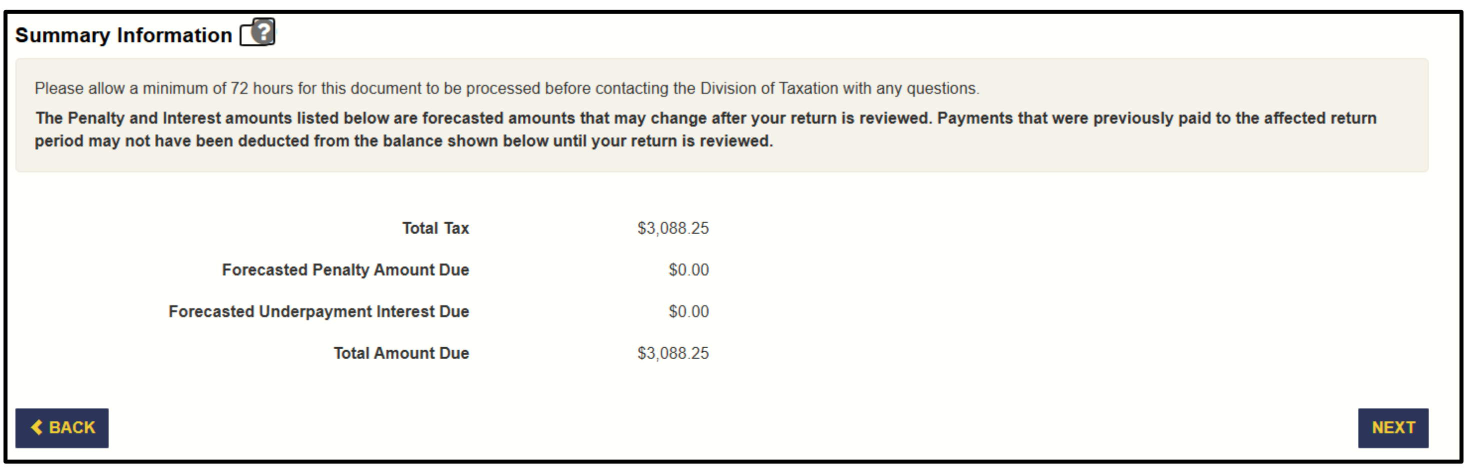


Figure 16: Tax Summary Information

1. Click on the NEXT button.
2. On the **Electronic Signature** page click YES button
   a. The **Enter Tax Return – Confirmation** page provides you with a Confirmation number. This number will help the Division of Taxation track your return and payment should there be any discrepancies.
3. To make a payment, you must click the MAKE A PAYMENT NOW button. This will take you to pages where you will enter your bank account information and schedule the payment.

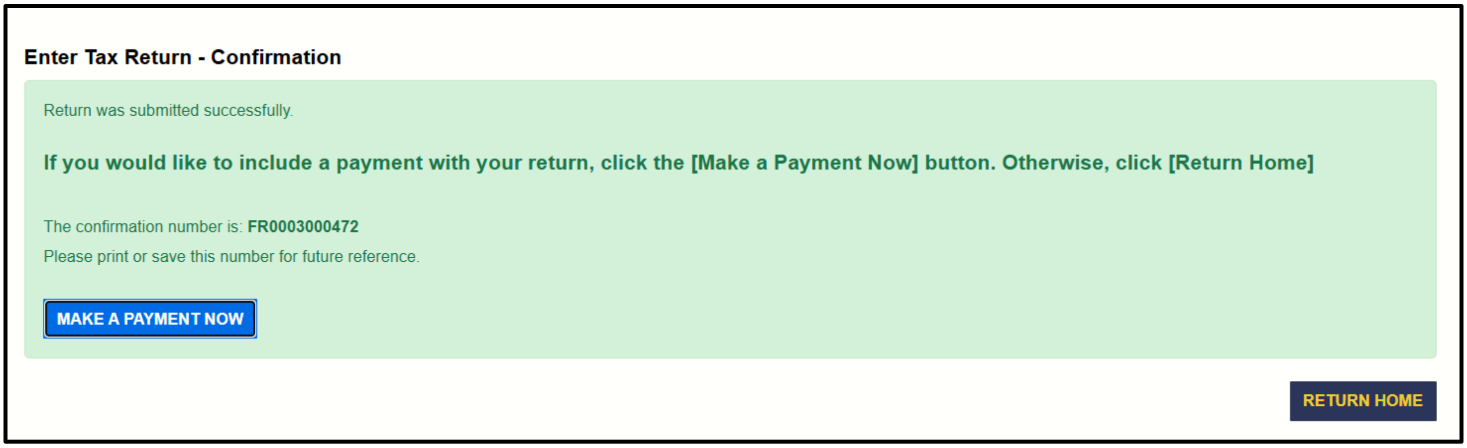


Figure 17: Successfully Submitted-Confirmation Number

Make A Payment:

To make a payment you will need the Bank Routing number and Bank Account numbers of your institution to complete this process.

1. If you want to pay a portion of the Total Amount Due, then enter the dollar amount in Payment Amount. Otherwise, click the checkbox near *"Check here to pay total outstanding balance".*
2. ACH DEBIT is the only available Payment Method.

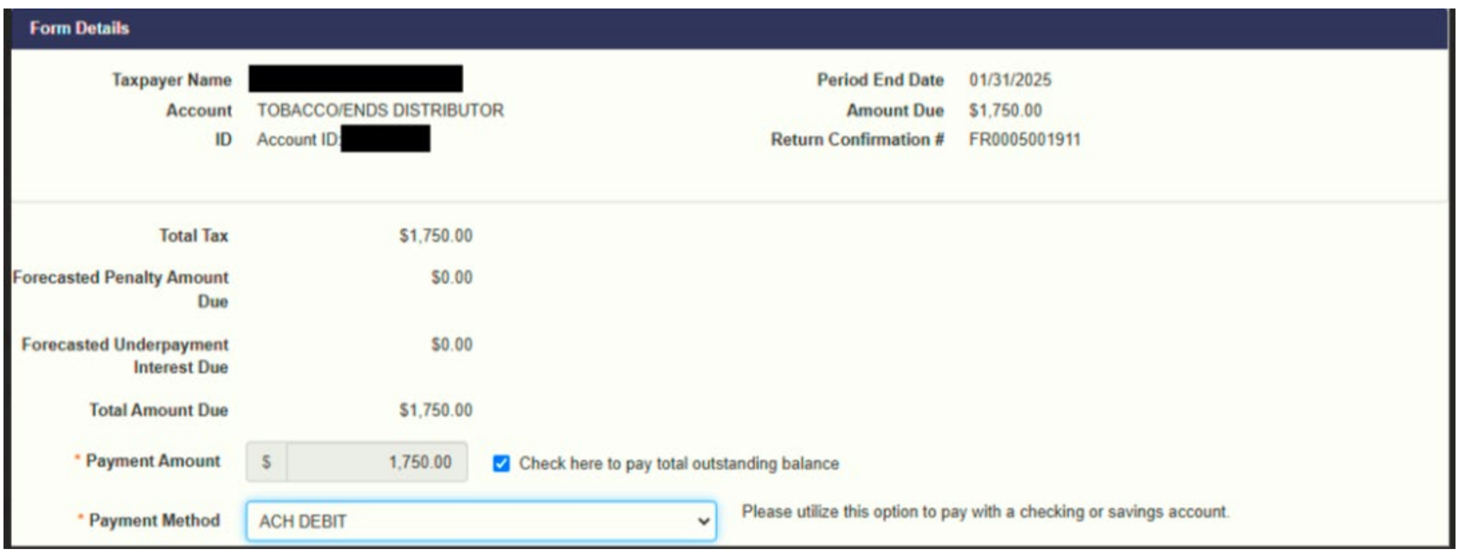


Figure 18: Make a Payment-Page 1

Bank Account Information:

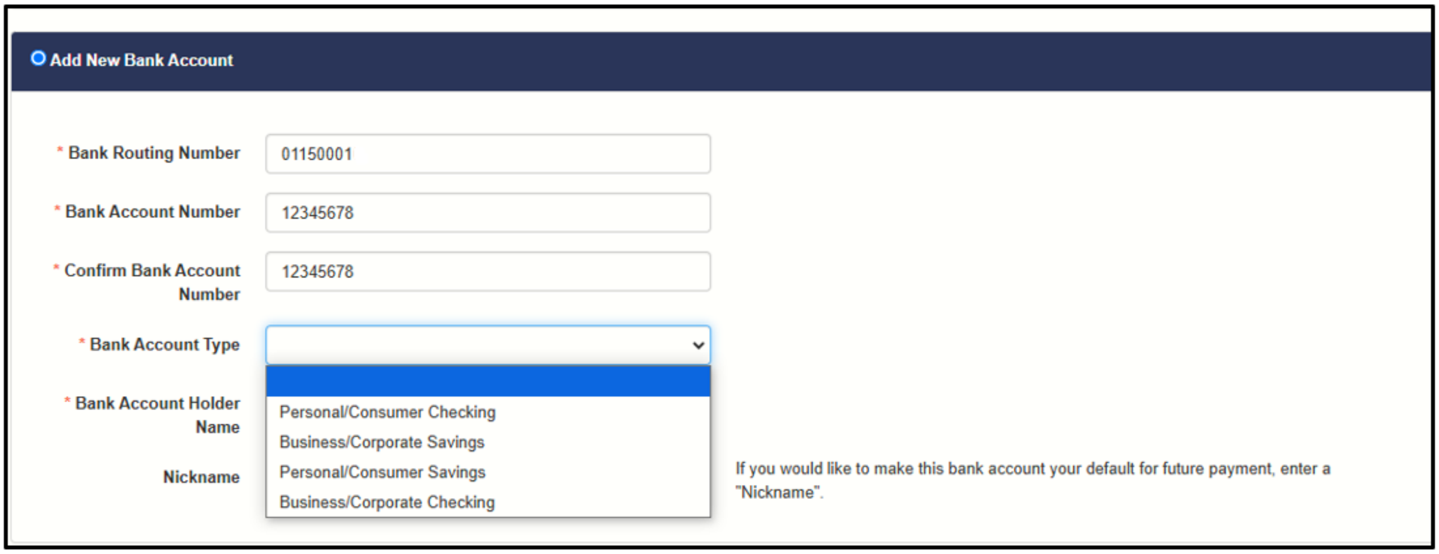


Figure 19: Bank Account Information

Scheduling the Payment:

1. The Portal automatically sets the date of your payment to the current date. You may choose to schedule a payment at a future date, but make sure not to set it to a date after the ENDS-1 filing/payment due date.
2. You must click the checkbox to authorize the withdrawal of funds.
3. Click SUBMIT to finish the process.

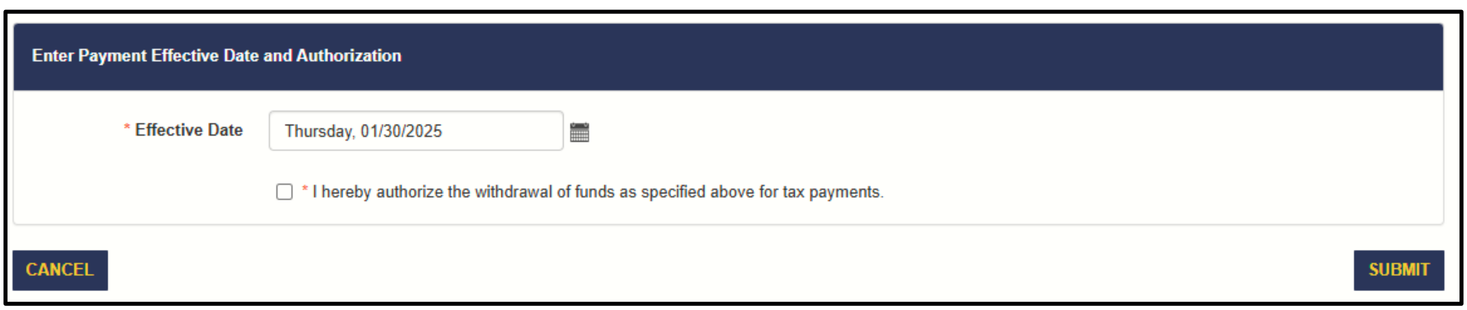


Figure 20: Scheduling and Authorizing Payment

Confirming the Payment:

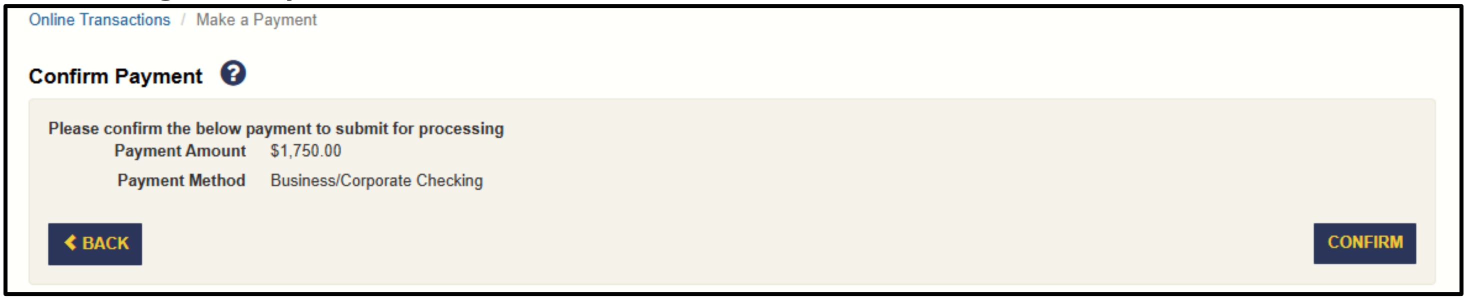


Figure 21: Payment Confirmation

Once the payment has been confirmed, the Payment Confirmation page will appear. ***Important data:***

1. Confirmation#: Keep this number in your records to prove you successfully filed on the Portal.
2. Transaction Date and Time: This is your "postmark" date to prove you filed and paid on time.

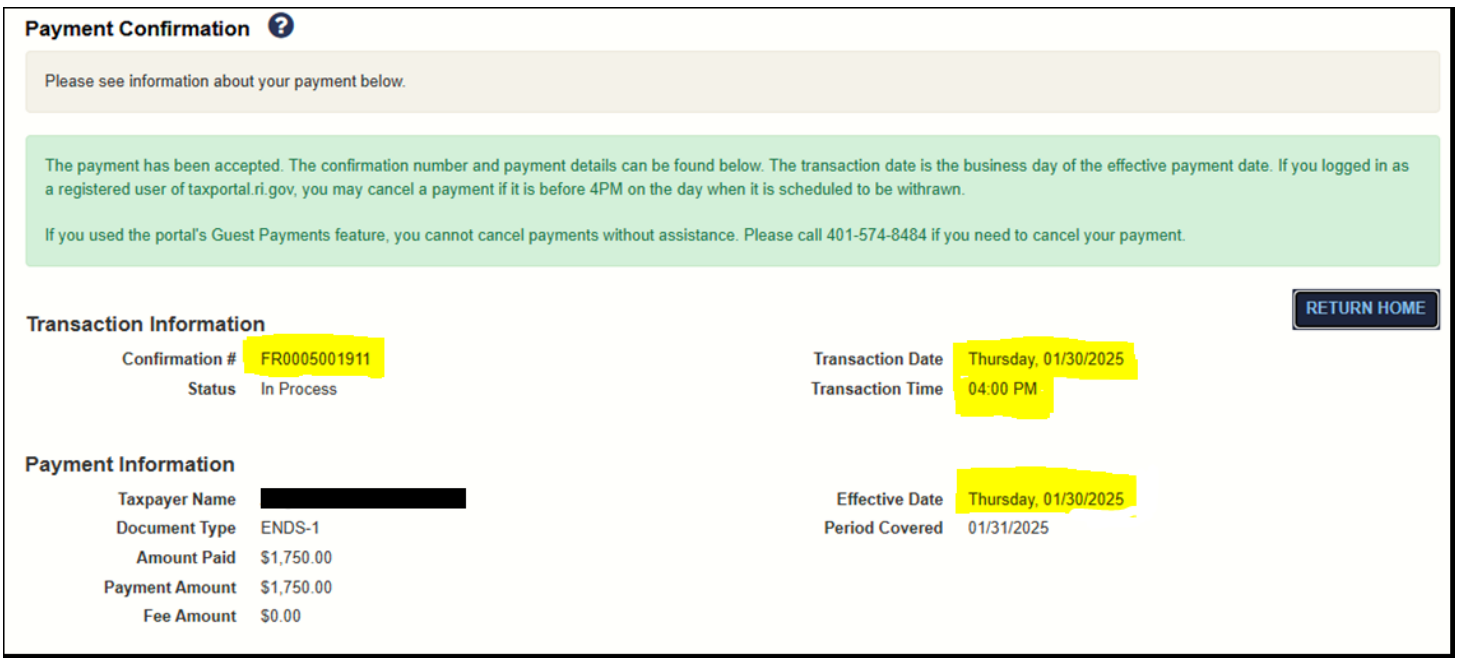


Figure 22: Submission Information

Need Help? Contacts:

Questions on how to use the Portal:

Phone: (401) 574-8484
Email: tax.portal@tax.ri.gov

Questions about the ENDS Products Tax or your responsibility as an ENDS Products Distributor:

Phone: (401)-574-8955
Email: tax.excise@tax.ri.gov