

Special Notice

Intended audience: Manufacturers, distributors, retailers, and consumers of vapor products

Aug. 20, 2019

New vapor products tax due on existing inventory

Starting Oct. 1, 2019, a new tax is due on vapor products. If you have vapor product inventory located in Washington on Oct. 1, 2019, then you must pay the vapor products tax on that inventory. This tax is paid only once, by the first possessor of the vapor products in Washington; it is not due from subsequent possessors.

This Special Notice addresses tax due on products already in Washington when the tax takes effect. For information about vapor products tax due on products brought into Washington after the tax takes effect, see our Special Notice titled [New vapor products tax](#).

What is the new vapor products tax?

There are two vapor products tax rates, and the rate that applies to your products depends on the volume of solution and type of the container:

- accessible containers greater than 5 milliliters: \$0.09 per mL
- all other vapor products: \$0.27 per mL

All vapor products are subject to the tax, even if they do not contain nicotine.

What is an accessible container?

An accessible container is one that is intended to be opened. It does not mean a closed cartridge or a closed container that is not intended to be opened (such as a disposable e-cigarette).

What is a vapor product?

A vapor product is any noncombustible product containing a solution or other consumable substance, regardless of whether it contains nicotine, which employs a mechanical heating element, battery, or electronic circuit regardless of the shape or size that can be used to produce vapor from the solution or other substance. Vapor products include electronic cigarettes, electronic cigars, electronic cigarillos, electronic pipes, or similar products or devices.

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For tax assistance or to request this document in an alternate format, visit dor.wa.gov or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Vapor products also include any cartridge or other container of liquid nicotine, solution, or other consumable substance, regardless of whether it contains nicotine, which is intended to be used with or in a device that can be used to deliver aerosolized or vaporized nicotine to a person inhaling from the device and is sold for such purpose.

Vapor products do not include:

- products approved by the United States Food and Drug Administration as tobacco cessation products
- any product that will become an ingredient or component in a vapor product manufactured by a distributor
- marijuana, useable marijuana, marijuana concentrates, or marijuana-infused products
- cigarettes
- tobacco products
- room deodorizers
- essential oils

How do I report my existing inventory?

You must report your entire vapor product inventory as of 12:01 AM on Oct. 1, 2019 on the Vapor Floor Stock Tax Return, and file it with the department by Oct. 31, 2019. If the return is filed after this date, a late filing penalty will be due. The late filing penalty will be either \$250 or 10% of the tax due, whichever is greater.

The Vapor Floor Stock Tax Return will be mailed in Sept. 2019. The return will also be available on our website, in the event you do not receive a Vapor Floor Stock Tax Return in the mail.

When do I pay the tax due?

The tax on existing inventory of vapor products may be paid with the return or after, but no later than Jan. 31, 2020. If the tax is not paid by this date, penalties and interest will be added to the tax amount due.

Can I amend my Vapor Floor Stock Tax Return?

Yes, you may amend your floor stock return if you make a data entry error on the return. For any other reason, you should claim a credit on your excise tax return.

Amending your return will not delay the payment date for taxes due. If you need to file an amended return, include documentation to substantiate the amendment and make payment of the net amount of the tax due by Jan. 31, 2020.

Do I need to register my business?

If you are required to pay the vapor products tax, you must register with the Department of Revenue.

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More information

[Engrossed 2nd Substitute House Bill 1873](#)

[Liquor and Cannabis Board](#)

Questions?

Call 360-705-6705 with tax questions.

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