



**STATE OF VERMONT
Office of the Attorney General
Department of Taxes
Department of Liquor and Lottery
Department of Health**

NOTICE OF CHANGES TO VERMONT'S TOBACCO LAWS

Dear Interested Party:

We are sending this letter to notify you of several changes to Vermont law regarding the sale and taxation of electronic cigarettes (e-cigarettes), as well as the legal age for possessing and purchasing tobacco products, tobacco substitutes, and tobacco paraphernalia.

Act 28: Taxation of E-Cigarettes

Effective July 1, 2019, the definition of “other tobacco products” is expanded to include tobacco substitutes (which includes e-cigarettes), and any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute.

Under Vermont law, “tobacco substitute” means “products, including electronic cigarettes or other electronic or battery-powered devices, that contain or are designed to deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes.” *See* Act 28, Sec. 3.

As a result of this expanded definition, effective July 1, 2019, tobacco substitutes, and any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute, will be taxed at the rate of 92% of their wholesale price. The tax on such products will be calculated and remitted monthly by licensed wholesale dealers on **Form CTT-646** (Wholesale Cigarette and Tobacco Dealer Report and Tax Return). This return is due on or before the 15th of each month for tax collected in the preceding month.

Retailers may sell tobacco substitutes, liquids, and devices acquired before July 1, 2019 without applying the tobacco products tax.

The full text of Act 28 can be found here:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT028/ACT028%20As%20Enacted.pdf>

Act 22: Sale of E-Cigarettes

Effective July 1, 2019, retailers may only sell tobacco substitutes (which includes e-cigarettes), substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco

paraphernalia in the State of Vermont if the retailer is either a licensed wholesale dealer *or* has purchased the products from a licensed wholesale dealer. In addition, the sale of tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia into the State of Vermont via the mail, phone, or internet is prohibited *unless* the sale is made to a licensed wholesale dealer or retail dealer. (See below for the definition of “tobacco paraphernalia.”)

The full text of Act 22 can be found here:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT022/ACT022%20As%20Enacted.pdf>

Act 27: Legal Age Increases from 18 to 21

Effective September 1, 2019, the legal age for possessing and purchasing tobacco products, tobacco substitutes (which includes e-cigarettes), and tobacco paraphernalia in the State of Vermont increases from 18 to 21. Retailers must post a conspicuous warning stating that the sale of tobacco products, tobacco substitutes, and tobacco paraphernalia to persons under 21 years of age is prohibited. Persons who sell such products to persons under 21 will be subject to a civil penalty.

Under Vermont law, “tobacco paraphernalia” means “any device used, intended for use, or designed for use in smoking, inhaling, ingesting, or otherwise introducing tobacco products into the human body, or for preparing tobacco for smoking, inhaling, ingesting, or otherwise introducing into the human body, including devices for holding tobacco, rolling paper, wraps, cigarette rolling machines, pipes, water pipes, carburetion devices, bongs, and hookahs.” See 7 V.S.A. § 1001(7).

The full text of Act 27 can be found here:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT027/ACT027%20As%20Enacted.pdf>

For More Information

If you have questions about the tax law changes, please contact the Vermont Department of Taxes at:

- Vermont Department of Taxes - Taxpayer Services Division – Miscellaneous Tax Section
Phone: 802-828-2551 / Fax: 802-828-5787 / E-mail: tax.miscellaneous@vermont.gov

If you have questions about the changes to the legal age and sale of e-cigarettes laws, please contact the Vermont Department of Liquor and Lottery, the Vermont Department of Health, or the Vermont Attorney General’s Office at:

- Vermont Department of Liquor and Lottery - Education, Licensing, and Enforcement
Phone: 802-828-2339 or 800-832-2339 / Fax: 802-828-1031 /
E-mail: DLC.EnfLicenseInfo@Vermont.gov
- Vermont Department of Health - Division of Health Promotion and Disease Prevention
Phone: 802-863-7330 / E-mail: tobaccovt@vermont.gov
- Vermont Attorney General’s Office
Phone: 802-828-3171 / E-mail: ago.info@vermont.gov