

## Frequently Asked Questions – Liquid Nicotine

### 1. What is Liquid Nicotine?

Liquid Nicotine means any solution containing nicotine that is designed or sold for use with an electronic smoking device.

### 2. What is the Liquid Nicotine tax rate?

The rate is **\$0.10** per fluid milliliter on the volume of the liquid nicotine as listed by the manufacturer.

### 3. Who is responsible to collect/pay the tax?

Wholesalers and Distributors are responsible for the tax. Retailers are responsible for the tax if they are importing products from out of state. Consumers are responsible if they purchased untaxed liquid nicotine.

### 4. What are examples of taxable liquid nicotine products?

Examples of taxable products include e-liquid, smoking juice, nicotine salts and other liquid mixtures containing nicotine designed for use in e-cigarettes, e-cigars, e-pipes, e-hookahs, vape pens, or any other similar products, including DIY kits that contain liquid nicotine.

### 5. What are examples of non-taxable liquid nicotine products?

Examples of non-taxable products include e-liquids that do not contain nicotine, smoking juice that does not contain liquid nicotine, other liquid mixtures that do not contain nicotine, or smoking devices and accessories that do not contain liquid nicotine.

### 6. When does the liquid nicotine tax go into effect?

The effective date is September 29, 2018.

### 7. Is there a Floor Stocks Tax?

Yes, there is a Floor Stocks Tax on the inventory in the possession of a distributor, wholesaler, or retail dealer at the close of business on September 28, 2018.

### 8. Who must file the Floor Stocks Tax Return?

Wholesalers, Distributors, and Retailers are required to take a physical inventory of all liquid nicotine in their possession.

**9. When is the Floor Stocks Tax Return due?**

The Floor Stocks Tax Return (TPT-FL) and tax payment are due by October 20, 2018.

**10. Do I have to file a tax return?**

Yes, you are required to file a monthly return (TPT-10). This replaces the TPT-20 starting with the return due October 20, 2018.

**11. Do I need to file a TPT-10 and a TPT-20 return for September 2018?**

No, the TPT-10 will be the only required return. However, the tax due on tobacco products (rate 30%) and moist snuff (\$.75 per ounce) is for period September 1 through September 30. The sales of liquid nicotine made on September 29 and 30 should also be reported on the TPT-10 due October 20, 2018. The TPT-20 return will no longer be accepted.

**12. When is the return due?**

The return (TPT-10) is due on the 20<sup>th</sup> day of the month following the end of the prior month.

**13. Is the tax due on the sale or purchase of liquid nicotine?**

The tax is imposed on the sale or distribution of liquid nicotine at **\$0.10** per fluid milliliter by a distributor or wholesaler to a retailer dealer or consumer. A Use Tax, at the same rate, is also imposed on products which are consumed and products for which the tax was not already paid.

**14. I have multiple locations, can I file one consolidated return for all the locations?**

Yes, you can file a consolidated return for all locations.

**15. What if I operate my business out of my personal residence?**

A personal residence is treated like any other business location. All businesses, including those businesses that operate from a personal residence, are subject to inspection by New Jersey Division of Taxation employees, which include sworn law enforcement personnel.

**16. Do I have to file a tax return if the liquid nicotine tax was paid to the supplier/vendor?**

Yes, you are still required to file a return.

**17. If I currently have a Certificate of Authority for tobacco products will I need an additional one to sell liquid nicotine?**

No, you will not need an additional Certificate of Authority.

**18. Will I need a license to sell liquid nicotine?**

No, there are no licenses to sell tobacco. However, you are required to have a Certificate of Authority.

**19. If I have more than one location, will I need a license for each location?**

No, there are no licenses to sell tobacco. However, you are required to have a Certificate of Authority for each location.

**20. If I move or sell the business can I transfer the Certificate of Authority?**

No, the Certificate of Authority is not transferable.

**21. I am a manufacturer of liquid nicotine. Do I pay the tax on the pure liquid nicotine before it is mixed?**

No, the tax is due on the final mixture that is provided to your customer.

**22. If I sell liquid nicotine on the internet, do I have to register and pay the tax?**

Yes, you are required to register and pay the tax.

**23. If all my sales are exported, do I have to pay the tax?**

No, but you still have to file the TPT-10 return and fill out Schedule D.

**24. I am a retail dealer who imports liquid nicotine and sells it to consumers. Do I have to list everyone that I sell to?**

No, you only need to report the number of milliliters of liquid nicotine sold.