Attn. Licensees: October 1, 2019 Vapor Tax Effective

Vapor Product Taxation. As a result of 2019 legislation (HB 1873): Tax upon the sale, use, consumption, handling, possession, or distribution of vapor products. For details on this legislation, please visit: https://app.leg.wa.gov/billsummary.

What is being taxed?

- Solution (with or without nicotine) - by the milliliter (mL)
  - Under 5 mL = $0.27 per mL
  - 5 mL and over = $0.09 per mL

### EXAMPLES

<table>
<thead>
<tr>
<th>Example</th>
<th>Description</th>
<th>Taxation Details</th>
<th>Tax Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pods</td>
<td>0.7 mL</td>
<td>(Under 5 mL = $0.27 per mL)</td>
<td>$0.27</td>
</tr>
<tr>
<td>100 mL  bottle</td>
<td>(5 mL and over = $0.09 per mL)</td>
<td>Tax = $9.00</td>
<td></td>
</tr>
<tr>
<td>50 mL</td>
<td>50 mL = $4.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 mL</td>
<td>30 mL = $2.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 mL</td>
<td>20 mL = $1.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 mL</td>
<td>15 mL = $1.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 mL</td>
<td>10 mL = $0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 mL</td>
<td>5 mL = $0.45</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Who pays the tax?

- When the distributor:
  - Brings, or causes to be brought into this state from outside the state, vapor products for sale;
  - Makes, manufactures, fabricates, or stores vapor products in this state for sale in this state;
  - Ships or transports vapor products to retailers or consumers in this state; or
  - Handles for sale any vapor products that are within this state but upon which tax has not been imposed.

What is the “floor” tax?

- Preexisting inventory of vapor products on 10/01/2019.
- Preexisting inventories of vapor products must be reported by 10/31/2019 to the Department of Revenue (DOR).
- Taxes are to be paid on or before 01/31/2020 to the DOR.
- If not paid, interest and penalties will incur.

Questions? Contact:

Washington State Liquor and Cannabis Board Officers

- Lt. Susan Anderson, 253-720-3025
- Officer Joel McCloud, 360-333-7774
- Officer Bob Dunham, 509-220-8603
- Officer Christian Gonzalez, 360-216-5975

Washington State Department of Revenue

- Tax Assistance Main Line, 360-705-6705
- DORRecoveryTeam2@DOR.WA.GOV

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