



TAX BULLETIN 24-4

Virginia Department of Taxation

July 22, 2024

IMPORTANT INFORMATION FOR MANUFACTURERS, DISTRIBUTORS, AND RETAIL DEALERS OF LIQUID NICOTINE OR NICOTINE VAPOR PRODUCTS

Effective July 1, 2024, [Item 3-5.19](#) of House Bill 6001 (2024 *Acts of Assembly*, Chapter [2](#)) increases the rate of the tobacco products tax on liquid nicotine from \$0.066 per milliliter to \$0.11 per milliliter. Additionally, House Bill 790 and Senate Bill 582 (2024 *Acts of Assembly*, Chapters [821](#) and [796](#)) establish for purposes of the Tobacco Products Tax that any person engaged in the business of selling, dealing, shipping, or transporting liquid nicotine or nicotine vapor products as a manufacturer, distributor, or retail dealer within the Commonwealth, is required to obtain a license for each location or place of business from the Department of Taxation (“the Department”). The Department is developing guidelines regarding the changes made by House Bill 790 and Senate Bill 582.

New Rate for Liquid Nicotine

The Tobacco Products Tax is imposed on cigars, smokeless tobacco, pipe tobacco, loose leaf tobacco, liquid nicotine, and heated tobacco products. Effective July 1, 2024, [Item 3-5.19](#) of House Bill 6001 (2024 *Acts of Assembly*, Chapter [2](#)) increases the rate of the tax imposed on liquid nicotine from \$0.066 per milliliter to \$0.11 per milliliter.

New License Requirements for Manufacturers, Distributors, and Retail Dealers of Liquid Nicotine and Nicotine Vapor Products

Under the new requirements set forth in House Bill 790 and Senate Bill 582, any person engaged in the business of selling or dealing liquid nicotine or nicotine vapor products, or who ships or transports liquid nicotine or nicotine vapor products to retailers in Virginia, must obtain a license from the Department for each location or place of business. The license must be prominently displayed at the premises covered by the license.

Any retail dealer who holds a Retail Sales and Use Tax Exemption Certificate for Stamped Cigarettes Purchased for Resale or an Other Tobacco Products (OTP) Distributor’s License is not required to obtain an additional license for liquid nicotine or nicotine vapor products.

Every application for a license must be made on a form prescribed by the Department and the following information must be provided:

1. The name and address of the applicant. If the applicant is a firm, partnership, or association, the name and address of each of its members shall be provided. If the applicant is a corporation, the name and address of each principal officers shall be provided;
2. The address of the applicant's principal place of business;
3. The place or places where the business to be licensed is to be conducted; and
4. Such other information as the Department may require.

The relevant forms, Form TT-10, Application for Liquid Nicotine and Nicotine Vapor Products License, and Form TT-10A, Application for Liquid Nicotine and Nicotine Vapor Products License Personal Data Form, are available on the Department's web site at www.tax.virginia.gov. Each application must be accompanied by a non-refundable application fee of \$400. The Department will begin processing applications after September 1, 2024. All dealers subject to the new licensing requirements must submit their applications by December 31, 2024.

The Department will conduct a background investigation of the applicant or its responsible principals and managers, including a Virginia criminal history records search that shall be submitted to the Federal Bureau of Investigation if the Department deems a national criminal records search necessary.

The Department may refuse to issue a liquid nicotine and nicotine vapor products license or may suspend, revoke or refuse to renew a manufacturer's, distributor's, or retail dealer's license if it determines that the applicant or any of its principals and managers have been 1) found guilty of any fraud or misrepresentation in any connection; 2) convicted of robbery, extortion, burglary, larceny, embezzlement, fraudulent conversion, gambling, perjury, bribery, treason, tax evasion, or racketeering; or 3) convicted of a felony within the last five years. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in an application for a liquid nicotine and nicotine vapor products license is guilty of a Class 1 misdemeanor.

No license may be transferred to another person. However, the Department may grant a temporary license to any applicant that has purchased the business of any licensee while the applicant's application for licensure is pending.

Additional Information

This Tax Bulletin is available online in the [Laws, Rules & Decisions](#) section of the Department's website. If you have additional questions, please visit the Department's website at www.tax.virginia.gov or contact the Department at (804) 371-0730.