

Tax Bulletin

Utah State Tax Commission • 210 N 1950 W • SLC, UT 84134

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Tax Bulletin 05-21

Effective: July 1, 2021

Re: Tax Imposed on Sales of Certain Nicotine Products

The 2020 Utah Legislature passed SB 37, imposing a tax on certain nicotine products.

The tax on non-therapeutic nicotine device substances and prefilled non-therapeutic nicotine devices is 56 percent of the manufacturer's sales price.

The tax on alternative nicotine products is \$1.83 per ounce, based on the net weight listed by the manufacturer.

File and pay these taxes online at Taxpayer Access Point (tap.utah.gov) using form TC-553, *Tobacco Products Tax Return*.

Requirements

Starting July 1, 2021, you must begin collecting these taxes on nicotine devices and substances.

You must post a bond if you purchase untaxed alternative nicotine products for resale in Utah.* The one-time bond is at least \$500 and must be posted in addition to other required cigarette and tobacco bonds. (Note: You do not need to post an additional bond for nicotine products if you have already posted a bond for e-cigarettes.)

To submit a surety bond, see form TC-763E, *Electronic Cigarette and Nicotine Tax Surety Bond*. To submit a cash bond, make a \$500 payment in Taxpayer Access Point to your tobacco (TOB) account using the *E-Cigarette and Nicotine Product Bond* payment type.

QUESTIONS...

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***Note:** As originally released, this bulletin implied all sellers of alternative nicotine products must post a bond. In fact, sellers who purchase only TAX-PAID alternative nicotine products do NOT need to post a bond.