



**JULIE P. MAGEE**  
Commissioner

# State of Alabama Department of Revenue

(www.revenue.alabama.gov)  
50 North Ripley Street  
Montgomery, Alabama 36132

**MICHAEL E. MASON**  
Assistant Commissioner

**JOE W. GARRETT, JR.**  
Deputy Commissioner

**CURTIS E. STEWART**  
Deputy Commissioner

September 25, 2015

## **NOTICE**

### **To all Sellers making retail sales of consumable vapor products as defined by Legislative Act No. 2015-535.**

The Legislature has passed and the Governor has signed Act No. 2015-535, relating to the distribution of funds collected on consumable vapor products. Effective January 1, 2016, the tax remitted from the sales of consumable vapor products shall be distributed to the General Fund.

Accordingly, on all state sales tax returns (S&U:2100 and S&U:2105) submitted beginning January 1, 2016, regardless of the period in which the tax accrued, sales of consumable vapor products must be separately reported in the newly added Column D—"Consumable Vapor Products 4%." Sellers making retail sales of consumable vapor products reporting on a monthly, quarterly or annual filing frequency must comply with this new reporting requirement beginning with the report due January 1, 2016.

Retail sales of consumable vapor products, vapor products, etc., are subject to the sales and use tax levies found in Code of Alabama 1975, Sections 40-23-2 and 40-23-61, respectively, as sales of tangible personal property. Act 2015-535 defines "consumable vapor products" and "vapor products" and specifically changes the distribution of the sales tax received on "consumable vapor products," thus requiring sales of these products to be separately stated on the sales tax returns beginning January 1, 2016. Consumable vapor products are, "any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product." Other vapor products, and consumable vapor products that do **not** contain nicotine, will continue to be reported in the "All Other 4%" column on the appropriate sales and use tax returns.