

ASSEMBLY BILL NO. 269—ASSEMBLYWOMAN  
BUSTAMANTE ADAMS

MARCH 8, 2017

Referred to Committee on Taxation

SUMMARY—Provides for the regulation and taxation of vapor products. (BDR 32-873)

FISCAL NOTE: Effect on Local Government: Increases or Newly  
Provides for Term of Imprisonment in County or City  
Jail or Detention Facility.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; including vapor products within the definition of “other tobacco products” for the purposes of licensing and regulation of such products by the Department of Taxation; imposing a tax on the purchase or possession of vapor products in this State based on the milliliters of consumable product; providing penalties; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes the Department of Taxation to regulate and collect a tax  
2 on cigarettes and other tobacco products. (Chapter 370 of NRS) This bill provides  
3 for the regulation and taxation of vapor products. Specifically, **section 1** of this bill  
4 includes vapor products within the definition of “other tobacco product” for the  
5 purposes of such regulation and taxation and, thus, under **section 1**, a person who is  
6 a wholesale dealer or retail dealer of vapor products would be subject to the  
7 requirements imposed by existing law on wholesale dealers and retail dealers of  
8 other tobacco products, including, without limitation, the requirement to obtain a  
9 license from the Department. (NRS 370.440-370.503) **Section 3** of this bill imposes  
10 on the purchase or possession of vapor products in this State a tax of 5 cents per  
11 fluid milliliter of consumable product.



\* A B 2 6 9 \*

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 370.0318 is hereby amended to read as follows:

370.0318 "Other tobacco product" means any tobacco of any description or any product made from tobacco, other than cigarettes ~~and~~ *and alternative nicotine products . ~~and~~ The term includes, without limitation,* vapor products.

**Sec. 2.** NRS 370.440 is hereby amended to read as follows:

370.440 As used in NRS 370.440 to 370.503, inclusive, unless the context otherwise requires:

1. "Alternative nicotine product" has the meaning ascribed to it in NRS 370.003.

2. *"Consumable product" means any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.*

3. "Other tobacco product" has the meaning ascribed to it in NRS 370.0318.

~~3-~~ 4. "Retail dealer" means any person who is engaged in selling other tobacco products.

~~4-~~ 5. "Sale" means any transfer, exchange, barter, gift, offer for sale, or distribution for consideration of other tobacco products.

~~5-~~ 6. "Ultimate consumer" means a person who purchases one or more other tobacco products for his or her household or personal use and not for resale.

~~6-~~ 7. *"Vapor product" has the meaning ascribed to it in NRS 370.054.*

8. "Wholesale dealer" means any person who:

(a) Brings or causes to be brought into this State other tobacco products purchased from the manufacturer or a wholesale dealer and who stores, sells or otherwise disposes of such other tobacco products within this State;

(b) Manufactures or produces other tobacco products within this State and who sells or distributes such other tobacco products within this State to other wholesale dealers, retail dealers or ultimate consumers; or

(c) Purchases other tobacco products solely for the purpose of bona fide resale to retail dealers or to other persons for the purpose of resale only.

~~7-~~ 9. "Wholesale price" means:

(a) Except as otherwise provided in paragraph (b), the established price for which other tobacco products are sold to a wholesale dealer before any discount or other reduction is made.



(b) For other tobacco products sold to a retail dealer or an ultimate consumer by a wholesale dealer described in paragraph (b) of subsection ~~16.1~~ 8, the established price for which the other tobacco product is sold to the retail dealer or ultimate consumer before any discount or other reduction is made.

**Sec. 3.** NRS 370.450 is hereby amended to read as follows:

370.450 1. Except as otherwise provided in subsection 2, there is hereby imposed upon the purchase or possession of ~~other~~ :

(a) *Other* tobacco products , *excluding vapor products*, by a customer in this State a tax of 30 percent of the wholesale price of those products.

(b) *Vapor products by a customer in this State a tax of 5 cents per fluid milliliter of consumable product.*

2. The provisions of subsection 1 do not apply to those products which are:

(a) Shipped out of the State for sale and use outside the State;

(b) Displayed or exhibited at a trade show, convention or other exhibition in this State by a manufacturer or wholesale dealer who is not licensed in this State; or

(c) Acquired free of charge at a trade show, convention or other exhibition or public event in this State, and which do not have significant value as determined by the Department by regulation.

3. This tax must be collected and paid by the wholesale dealer to the Department, in accordance with the provisions of NRS 370.465, after the sale or distribution of the other tobacco products by the wholesale dealer. The wholesale dealer is entitled to retain 0.25 percent of the taxes collected to cover the costs of collecting and administering the taxes if the taxes are paid in accordance with the provisions of NRS 370.465.

4. Any wholesale dealer who sells or distributes other tobacco products without paying the tax provided for by this section is guilty of a misdemeanor.

**Sec. 4.** NRS 370.470 is hereby amended to read as follows:

370.470 A wholesale dealer must obtain from each manufacturer or wholesale dealer who is not licensed in this State itemized invoices of all other tobacco products purchased from and delivered by the manufacturer or wholesale dealer who is not licensed in this State. The wholesale dealer must obtain from the manufacturer or wholesale dealer who is not licensed in this State separate invoices for each purchase made. The invoice must include:

1. The name and address of the manufacturer or wholesale dealer who is not licensed in this State;

2. The name and address of the wholesale dealer;

3. The date of the purchase; ~~and~~



1        4. ~~{The}~~ *For an other tobacco product that is not a vapor*  
2 *product, the* quantity and wholesale price of the other tobacco  
3 ~~{products.}~~ *product; and*

4        5. *For a vapor product, the amount of consumable product in*  
5 *milliliters.*

6        **Sec. 5.** This act becomes effective on July 1, 2017.

