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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO TAXATION -- CIGARETTE, OTHER TOBACCO PRODUCTS, AND  
ELECTRONIC NICOTINE-DELIVERY SYSTEMS PRODUCTS

Introduced By: Representative William W. O'Brien

Date Introduced: March 27, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 40-20-1 and 44-20-61 of the General Laws in Chapter 44-20 entitled  
2 "Cigarette, Other Tobacco Products, and Electronic Nicotine-Delivery System Products" are  
3 hereby amended to read as follows:

4           **44-20-1. Definitions.**

5           Whenever used in this chapter, unless the context requires otherwise:

6           (1) "Administrator" means the tax administrator.

7           (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,  
8 "heat not burn products," and each sheet of cigarette rolling paper, including but not limited to,  
9 paper made into a hollow cylinder or cone, made with paper or any other material, with or without  
10 a filter suitable for use in making cigarettes.

11           (3) "Dealer" means any person whether located within or outside of this state, who sells or  
12 distributes cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
13 products to a consumer in this state.

14           (4) "Distributor" means any person:

15           (i) Whether located within or outside of this state, other than a dealer, who sells or  
16 distributes cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
17 products within or into this state. Such term shall not include any cigarette or other tobacco product  
18 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. § 5712,

1 if such person sells or distributes cigarettes and/or other tobacco products and/or electronic  
2 nicotine-delivery system products in this state only to licensed distributors, or to an export  
3 warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

4 (ii) Selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery  
5 system products directly to purchasers in this state by means of at least twenty-five (25) vending  
6 machines;

7 (iii) Engaged in this state in the business of manufacturing cigarettes and/or other tobacco  
8 products and/or electronic nicotine-delivery system products or any person engaged in the business  
9 of selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
10 products to dealers, or to other persons, for the purpose of resale only; provided, that seventy-five  
11 percent (75%) of all cigarettes and/or other tobacco products and/or electronic nicotine-delivery  
12 system products sold by that person in this state are sold to dealers or other persons for resale and  
13 selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system products  
14 directly to at least forty (40) dealers or other persons for resale; or

15 (iv) Maintaining one or more regular places of business in this state for that purpose;  
16 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products  
17 and/or electronic nicotine-delivery system products are purchased directly from the manufacturer  
18 and selling cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
19 products directly to at least forty (40) dealers or other persons for resale.

20 (5) "Electronic nicotine-delivery system" means an electronic device that may be used to  
21 simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device,  
22 and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo,  
23 electronic little cigars, electronic pipe, electronic hookah, e-liquids, e-liquid products, or any related  
24 device and any cartridge or other component of such device.

25 (6) "Electronic nicotine-delivery system products" means any combination of electronic  
26 nicotine-delivery system and/or e-liquid and/or any derivative thereof, and/or any e-liquid  
27 container. Electronic nicotine-delivery system products shall include hemp-derived consumable  
28 CBD products as defined in § 2-26-3.

29 (7) "Electronic nicotine-delivery system shop" means any premises dedicated to the  
30 display, sale, distribution, delivery, offering, furnishing, or marketing of electronic nicotine-  
31 delivery system products, liquid nicotine containers or vapor products, or any products as defined  
32 in § 11-9-13.4, to consumers over the age of twenty-one (21), in compliance with chapter 9 of title  
33 11.

34 ~~(7)~~(8) "E-liquid" and "e-liquid products" mean any liquid or substance placed in or sold for

1 use in an electronic nicotine-delivery system that generally utilizes a heating element that  
2 aerosolizes, vaporizes, or combusts a liquid or other substance containing nicotine or nicotine  
3 derivative:

4 (i) Whether the liquid or substance contains nicotine or a nicotine derivative; or

5 (ii) Whether sold separately or sold in combination with a personal vaporizer, electronic  
6 nicotine-delivery system, or an electronic inhaler.

7 ~~(8)~~(9) "Importer" means any person who imports into the United States, either directly or  
8 indirectly, a finished cigarette or other tobacco product and/or electronic nicotine-delivery system  
9 product for sale or distribution.

10 ~~(9)~~(10) "Licensed," when used with reference to a manufacturer, importer, distributor, or  
11 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for  
12 the type of business being engaged in. When the term "licensed" is used before a list of entities,  
13 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be  
14 deemed to apply to each entity in such list.

15 ~~(10)~~(11) "Manufacturer" means any person who manufactures, fabricates, assembles,  
16 processes, or labels a finished cigarette and/or other tobacco products and/or electronic nicotine-  
17 delivery system products.

18 ~~(11)~~(12) "Other tobacco products" (OTP) means any products that are made from or  
19 derived from tobacco or that contain nicotine, whether natural or artificial, including, but not  
20 limited to, cigars (excluding Little Cigars, as defined in § 44-20.2-1, which are subject to cigarette  
21 tax), cheroots, stogies, smoking tobacco (including granulated, plug cut, crimp cut, ready rubbed  
22 and any other kinds and forms of tobacco suitable for smoking in a pipe or otherwise), chewing  
23 tobacco (including Cavendish, twist, plug, scrap and any other kinds and forms of tobacco suitable  
24 for chewing), any and all forms of hookah, shisha and "mu'assel" tobacco, snuff, and shall include  
25 any other articles or products made of, derived from, or containing tobacco or nicotine, in whole or  
26 in part, or any tobacco or nicotine substitute, except cigarettes and electronic nicotine-delivery  
27 system products. Other tobacco products shall not mean any product that has been approved by the  
28 United States Food and Drug Administration for the sale of or use as a tobacco or nicotine cessation  
29 product or for other medical purposes and is marketed and sold or prescribed exclusively for that  
30 approved purpose.

31 ~~(12)~~(13) "Person" means any individual, including an employee or agent, firm, fiduciary,  
32 partnership, corporation, trust, or association, however formed.

33 ~~(13)~~(14) "Pipe" means an apparatus made of any material used to burn or vaporize products  
34 so that the smoke or vapors can be inhaled or ingested by the user.

1           ~~(14)~~(15) "Place of business" means any location where cigarettes and/or other tobacco  
2 products and/or electronic nicotine-delivery system products are sold, stored, or kept, including,  
3 but not limited to; any storage room, attic, basement, garage or other facility immediately adjacent  
4 to the location. It also includes any receptacle, hide, vessel, vehicle, airplane, train, or vending  
5 machine.

6           ~~(15)~~(16) "Sale" or "sell" means gifts, exchanges, and barter of cigarettes and/or other  
7 tobacco products and/or electronic nicotine-delivery system products. The act of holding, storing,  
8 or keeping cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
9 products at a place of business for any purpose shall be presumed to be holding the cigarettes and/or  
10 other tobacco products and/or electronic nicotine-delivery system products for sale. Furthermore,  
11 any sale of cigarettes and/or other tobacco products and/or electronic nicotine-delivery system  
12 products by the servants, employees, or agents of the licensed dealer during business hours at the  
13 place of business shall be presumed to be a sale by the licensee.

14           ~~(16)~~(17) "Stamp" means the impression, device, stamp, label, or print manufactured,  
15 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as  
16 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are  
17 intended for a sale or distribution in this state that is exempt from state tax under the provisions of  
18 state law; and also includes impressions made by metering machines authorized to be used under  
19 the provisions of this chapter.

20           **44-20-61. Product restrictions on electronic nicotine-delivery system products.**

21           (a) For purposes of this section, the following terms shall have the following meanings:

22           (1) "Characterizing flavor" means a distinguishable taste or aroma, other than the taste or  
23 aroma of tobacco or menthol, whether naturally or artificially flavored, distinguishable by an  
24 ordinary consumer, imparted either prior to, or during, consumption of an electronic nicotine-  
25 delivery system product or component part thereof, including, but not limited to, tastes or aromas  
26 relating to any fruit, mint, wintergreen, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic  
27 beverage, herb, or spice or which impart a cooling or numbing sensation. The determination of  
28 whether an electronic nicotine-delivery system product has a characterizing flavor shall not be  
29 based solely on the use of additives, flavorings, or particular ingredients, but shall instead consider  
30 all aspects of a final product including, but not limited to, taste, flavor and aroma, product labeling,  
31 and advertising statements. A flavor shall be presumed to be a characterizing flavor if a dealer,  
32 manufacturer, or distributor has made a statement or claim directed to consumers or the public  
33 about such flavor, whether expressed or implied, that it has a distinguishable taste or aroma (other  
34 than the taste or aroma of tobacco or menthol).

1           (2) ["Electronic nicotine-delivery system shop" as defined in § 44-20-1.](#)

2           (3) "Flavored electronic nicotine-delivery system product" means any electronic nicotine-  
3 delivery system product that imparts a characterizing flavor.

4           (b) The sale, or offer for sale of, or the possession with intent to sell or to offer for sale,  
5 flavored electronic nicotine-delivery system products to consumers within the state of Rhode Island  
6 is hereby prohibited, [except at an electronic nicotine-delivery system shop](#). Compassion centers  
7 and licensed cultivators registered with the state of Rhode Island department of business regulation-  
8 office of cannabis regulation under chapter 28.6 of title 21 are exempt from this provision except  
9 as to products that contain, are made of, or are derived from tobacco or nicotine, natural or  
10 synthetic. [No electronic nicotine-delivery system shop shall sell, distribute, or permit the sale of  
11 any electronic nicotine-delivery system or related product unless the purchaser's age has been  
12 verified.](#)

13           (c) [Ten percent \(10%\) of revenues collected from the sale of electronic nicotine-delivery  
14 systems sold by exempt shops shall be transferred to the tobacco cessation programs established in  
15 § 27-20-53.](#)

16           (d) [Any penalties assessed for electronics nicotine-delivery shops in violation of this  
17 section, or in violation of § 11-9-13, shall be doubled. Any costs associated with storing and/or  
18 destroying confiscated material shall be borne by the shop from whom the material was confiscated.](#)

19           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- CIGARETTE, OTHER TOBACCO PRODUCTS, AND  
ELECTRONIC NICOTINE-DELIVERY SYSTEMS PRODUCTS

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1           This act would define "electronic nicotine-delivery system shop" and require that ten  
2 percent (10%) of sales revenue from said shops be transferred to the tobacco cessation programs  
3 pursuant to § 27-20-53. The act also would double the penalties for any violations by the shops and  
4 assess payments for storing and/or destroying confiscated materials.

5           This act would take effect upon passage.

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