

2026 -- S 3005

LC004717

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

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

Introduced By: Senators Ciccone, DiPalma, and Raptakis

Date Introduced: March 04, 2026

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-20-1 and 44-20-8.2 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. [A dealer may also resell cigars to other dealers pursuant to §](#)
14 [40-20-8.2.](#)

15 (4) "Distributor" means any person:

16 (i) Whether located within or outside of this state, other than a dealer, who sells or
17 distributes cigarettes and/or other tobacco products and/or electronic nicotine-delivery system
18 products within or into this state. Such term shall not include any cigarette or other tobacco product

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

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

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

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

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

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

30 (7) “E-liquid” and “e-liquid products” mean any liquid or substance placed in or sold for
31 use in an electronic nicotine-delivery system that generally utilizes a heating element that
32 aerosolizes, vaporizes, or combusts a liquid or other substance containing nicotine or nicotine
33 derivative:

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

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

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

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

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

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

27 (12) "Person" means any individual, including an employee or agent, firm, fiduciary,
28 partnership, corporation, trust, or association, however formed.

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

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

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

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

15 (17) "Traditional pipe" means a reuseable smoking pipe, generally made of briar wood or
16 meerschaum, not glass or metal.

17 (18) "Ultra premium pipe tobacco" means a tobacco product intended exclusively for use
18 in a traditional pipe that meets all of the following criteria:

19 (i) Produced from whole-leaf, long-cut, or ribbon-cut tobacco varieties (including, but not
20 limited to, Virginia, burley, perique, latakia, or oriental leaf) and minimally processed, without
21 reconstituted tobacco, tobacco scraps, or homogenized tobacco material;

22 (ii) Blended, aged, pressed, or cured in small batches using traditional or artisanal methods,
23 not mass-produced through automated high-volume industrial processes and designed solely for
24 use in smoking pipes;

25 (iii) Not intended for cigarette rolling, cigar wrapping, or use in disposable tobacco
26 products; and

27 (iv) Contains no characterizing flavors designed to appeal to minors, but may include
28 traditional pipe-tobacco casings or top notes (such as natural spirits, sugars, or botanical essences)
29 used solely to enhance aroma and smoking quality, not to mask low-quality tobacco.

30 (v) Ultra-premium pipe tobacco excludes cigarette tobacco, roll-your-own tobacco, cigar
31 filler, shisha/hookah tobacco, or any tobacco product erroneously labeled as pipe tobacco.

32 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**
33 **and dealers.**

34 (a) A manufacturer or importer may sell or distribute cigarettes and/or other tobacco

1 products and/or electronic nicotine-delivery system products to a person located or doing business
2 within this state, only if such person is a licensed importer or distributor. An importer may obtain
3 cigarettes and/or other tobacco products and/or electronic nicotine-delivery system products only
4 from a licensed manufacturer. A distributor may sell or distribute cigarettes and/or other tobacco
5 products and/or electronic nicotine-delivery system products to a person located or doing business
6 within this state, only if such person is a licensed distributor or dealer. A distributor may obtain
7 cigarettes and/or other tobacco products and/or electronic nicotine-delivery system products only
8 from a licensed manufacturer, importer, or distributor. A dealer may obtain cigarettes and/or other
9 tobacco products and/or electronic nicotine-delivery system products only from a licensed
10 distributor.

11 (b) Provided, however, ~~this section~~ subsection (a) of this section shall not apply to cigars
12 and ultra premium pipe tobacco, not including tobacco intended for cigarettes. Provided, further,
13 that dealers without a distributor's license may resell cigars to other dealers.

14 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 SYSTEM PRODUCTS

- 1 This act would permit dealers without a distributor's license to resell cigars, and ultra
- 2 premium pipe tobacco, excluding tobacco intended for cigarettes, to other dealers.
- 3 This act would take effect upon passage.

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