

STATE OF ARIZONA

Department of Revenue



Douglas A. Ducey
Governor

Robert Woods
Director

To Whom It May Concern;

On Dec. 27, 2020, the federal Consolidated Appropriations Act of 2021 was signed into law as part of COVID-19 stimulus relief legislation. Among other things, the new law amended the Prevent All Cigarette Trafficking Act of 2009 (PACT Act) to expand its definition of “cigarette” to include Electronic Nicotine Delivery Systems (ENDS). An ENDS product is defined by the law as “any electronic device that, through an aerosolized solution, delivers nicotine, flavor, or any other substance to the user inhaling from the device[, including] an e-cigarette; an e-hookah; an e-cigar; a vape pen; an advanced refillable personal vaporizer; an electronic pipe; and any component, liquid, part or accessory of a device...without regard to whether the component, liquid, part, or accessory is sold separately from the device.” This law became effective on March 27, 2021.

Currently, ENDS products that do not contain tobacco are not subject to Arizona state tobacco tax and do not require a tobacco distributor’s license to be issued by the state. However, federal law requires any persons who sell, transfer, or ship (or advertise or offer to sell, transfer or ship) cigarettes or smokeless tobacco in interstate commerce for profit to register and file monthly PACT Act reports with the Arizona Department of Revenue (the Department) no later than the 10th of each month. Such reports must identify the brands, quantities, and recipients of cigarette and smokeless tobacco shipments into Arizona.

Consequentially, if your business sells, transfers, or ships (or advertises or offers to sell, transfer or ship) ENDS into Arizona in interstate commerce, the PACT Act registration and reporting requirements will apply to you. To register with the Department, **please submit a PACT Act Registration Form by email to luxurytax@azdor.gov**.¹ The PA-2 form developed by the Federation of Tax Administrators meets the PACT Act requirements and can be used to provide this information.²

If you have any questions of concerns, please contact the Department’s Tobacco Unit at luxurytax@azdor.gov or (602) 716-7808.

Sincerely,

Howard Cohen

Howard Cohen
Tobacco Counsel

¹ <https://azdor.gov/forms/tobacco-forms/pact-act-statement>

² <https://www.taxadmin.org/tobacco-tax-uniformity-project>