

Taxability of Smokeless Nicotine Products

Smokeless Nicotine Products Exempt from Tennessee Tobacco Tax

Public Chapter 69 (2021), effective March 31, 2021, amends the definitions of "cigarette" and "tobacco products" and adds a new definition of "smokeless nicotine product" to clarify that smokeless nicotine products are **not** subject to Tennessee tobacco tax.

Tennessee Tobacco Tax

Tennessee imposes a tax on the privilege of selling cigarettes and other tobacco products ("OTP"). Cigarettes are taxed at \$0.62 cents per pack of 20 and OTP is taxed at 6.6% of the wholesale cost. Public Chapter 69 amends the definition of both cigarettes and tobacco products to specifically exclude smokeless nicotine products.

"Smokeless nicotine product" means, in pertinent part, nicotine that is in the form of a solid, gel, gum,

or paste that is intended for human consumption. Smokeless nicotine product does *not* include tobacco or tobacco products such as snuff or chewing tobacco. These items remain subject to Tennessee tobacco tax.

Therefore, all smokeless nicotine products meeting this definition are **not** subject to the Tennessee tobacco tax levied on cigarettes or OTP.

For More Information

Visit www.tn.gov/revenue. Click on Revenue Help to search for answers or to submit an information request to one of our agents.

References

Tenn. Code Ann. §§ 67-4-1001(2), 1001(23), -1005,