Department of Revenue

Tobacco Tax Notice

Notice #26-13 May 2026

Updates to Vapor Product Terminology and Administration of Fines

Overview

Effective May 22, 2026, Public Chapter 1126 (2026) amends the definitions of "consumable material" and "vapor product" in the tobacco tax law. Public Chapter 1126 (2026) also clarifies that the Alcoholic Beverage Commission ("ABC") is the entity responsible for administering the penalty for advertising and selling vapor products to individuals under the age of twenty-one.

Tobacco Product Terminology Updates

Public Chapter 1126 (2026) broadens the definition of "consumable material" in Tenn. Code Ann. § 67-4-1001(7) to include both natural or synthetic liquid nicotine solutions and liquid nicotine analogues.

Similarly, Public Chapter 1126 (2026) also edits the definition of "vapor product" in Tenn. Code Ann. § 67-4-1001(28)(a) to mean a noncombustible product containing consumable material that employs a mechanical heating element, battery, electronic circuit, or other mechanism, regardless of shape or size, that can be used to produce or emit a visible or non-visible vapor.

Vapor products containing consumable material, whether natural or synthetic, or a liquid nicotine analogue, are subject to the tobacco tax at the rate of 10% of the wholesale cost price.

Manufacturers of vapor products that are sold for retail sale in Tennessee must register each vapor product with the Department for inclusion in the Department's vapor product directory.

Advertising and Selling Vapor Products to Individuals Under the Age of Twenty-One

Tenn. Code Ann. § 67-4-1035 establishes that it is unlawful for a retailer, distributor, wholesaler, or importer to sell or offer for sale at retail or to advertise or market a vapor product or paraphernalia to an individual who is under twenty-one years of age.

Public Chapter 1126 (2026) clarifies that the ABC is the entity responsible for issuing fines to any retailer, distributor, wholesaler, or importer who sells or offers vapor products for retail sale to anyone under the age of twenty-one in Tennessee.

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

Public Chapter 1126 (2026). Tenn. Code Ann. §§ 67-4-1001 and 67-4-1035.

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.