

DELIVERY SALES OF VAPOR & ALTERNATIVE NICOTINE PRODUCTS

Prior Law

Iowa Code chapter 453A regulates cigarettes, tobacco, vapor products, and alternative nicotine products (collectively referred to as “453A products”). Vapor products and alternative nicotine products are not subject to Iowa cigarette or tobacco taxes, but they are subject to Iowa sales and use taxes. Persons making retail sales of 453A products must obtain a retail permit, which is issued by the retailer’s city or county. Previously, for retail purposes, all 453A products could only be sold over the counter or through vending machines. Previously, the retail sale of all 453A products for delivery in Iowa was prohibited.

New Provisions

2017 Iowa Acts Senate File 516 allows retailers to make delivery sales of vapor products and alternative nicotine products in Iowa. A “delivery sale” is a sale of vapor or alternative nicotine products by means such as the Internet, telephone, or mail order for delivery to final consumers in Iowa. The retail sale of cigarettes and tobacco products for delivery in Iowa is still prohibited.

Retailers making delivery sales of vapor products and alternative nicotine products into Iowa must obtain a statewide retail permit issued by the Department of Revenue and must obtain a bond of \$1,000, payable to the State of Iowa. Retailers making delivery sales must verify that the purchaser is at least 18 years of age. Retailers making delivery sales must use a method of delivery that requires the signature of a person who is at least 18 years of age before releasing the shipping package to the purchaser. Retailers making delivery sales must collect and remit all Iowa sales and use taxes due and obtain the applicable sales and use tax permits. These requirements apply to all retailers making delivery sales of vapor products and alternative nicotine products in Iowa, regardless of whether the retailer’s place of business is located inside or outside Iowa.

Sections Amended

Sections 61 and 62 of 2017 Iowa Acts Senate File 516 amend Section 453A.1, Code 2017. Sections 63 and 64 amend Section 453A.13, Code 2017. Sections 65 and 66 amend Section 453A.42, Code 2017. Section 67 amends Section 453A.47A, Code 2017. Section 68 creates new Section 453A.47B, Code 2017. Section 69 creates new Section 453A.47C, Code 2017.

Effective Date

July 1, 2017