

Tobacco Products FAQs



Assembly Bill (AB) 471 Alternative Nicotine Products/Other Tobacco Products – Frequently Asked Questions

What was the intent of AB 471:

Assembly Bill (AB) 471 became effective January 1, 2026, and enacts provisions related to the remote sale of cigars and pipe tobacco. The primary intent of the bill was to establish a licensing framework for remote retail sellers of cigars and pipe tobacco.

Were there other impacts from AB 471:

Section 6 of AB 471 revises the statutory definition of “Other Tobacco Products” (OTP). This revision does not regulate remote sellers directly but does affect how certain nicotine products are classified for tax purposes.

What constitutes nicotine derived from tobacco and how does the Department of Taxation treat those products:

Products derived (extracted) from tobacco are products that contain nicotine in the form of either nicotine powder or nicotine salt extracted from tobacco leaf and combined with other ingredients. The Nevada Department of Taxation (Department) does not tax these products.

Are products containing synthetic nicotine subject to tax?

Products containing synthetic nicotine, such as nicotine produced in a laboratory or that contain tobacco free nicotine, are alternative nicotine products under NRS 370.008. Alternative nicotine products are considered OTP pursuant to NRS 370.0317 and are subject to OTP tax in the State of Nevada.

Is there a list of products that are derived from tobacco and products made with synthetic nicotine?

The products listed below fall into one of the two categories above and include, but are not limited to, the following:

ROGUE – made with derived from tobacco nicotine, not taxable

DRYFT – made with derived from tobacco nicotine, not taxable

ZYN – made with derived from tobacco nicotine, not taxable

VELO – made with derived from tobacco nicotine, not taxable

FR3Sh- made with Tobacco Free Nicotine. TAXARI FR3

NIIN - made with Tobacco Free Nicotine. TAXABLE

2ONE- made with Tobacco Free Nicotine. TAXAFREE

FULLY LOADED - made with synthetic nicotine. TAXABE F

For additional information please view the Departments technical bulletin by clicking the link below:
https://tax.ny.gov/wp-content/uploads/2026/01/SLT-25-002-Clarification-regarding-NBS-360_440.pdf