
SUBSTITUTE HOUSE BILL 2382

State of Washington

69th Legislature

2026 Regular Session

By House Finance (originally sponsored by Representatives Parshley, Ryu, Reed, Doglio, Macri, Thai, and Pollet)

READ FIRST TIME 02/09/26.

1 AN ACT Relating to excise taxes on cigarettes, vapor products,
2 and tobacco products; amending RCW 82.25.010, 82.25.005, 82.26.020,
3 82.25.015, and 43.348.080; adding new sections to chapter 82.24 RCW;
4 adding a new section to chapter 70.155 RCW; and providing an
5 effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.24
8 RCW to read as follows:

9 (1) In addition to the tax imposed upon the sale, use,
10 consumption, handling, possession, or distribution of cigarettes set
11 forth in RCW 82.24.020 and 82.24.026, there is imposed a tax of \$0.10
12 per cigarette.

13 (2)(a) Except as provided in subsections (b), (c), and (d) of
14 this subsection (2), all revenues collected under this section must
15 be deposited into the general fund.

16 (b) Beginning July 1, 2027, the first \$10,000,000 of revenues
17 collected under this section per fiscal year must be deposited into
18 the time sensitive emergency system account created in section 2 of
19 this act.

20 (c) Beginning July 1, 2027, the next \$2,000,000 of revenues
21 collected under this section per fiscal year above the amount in (b)

1 of this subsection (2) must be deposited into the supplemental
2 nicotine and tobacco enforcement account created in section 3 of this
3 act.

4 (d) Beginning July 1, 2027, to the extent the tax imposed under
5 RCW 82.25.010 results in less than \$10,000,000 annually to the Andy
6 Hill cancer research endowment fund match transfer account in RCW
7 43.348.080, the remaining amount to reach \$10,000,000 annually must
8 be deposited into the Andy Hill cancer research endowment fund match
9 transfer account from the additional tax in this section.

10 (e) Beginning July 1, 2028, 10 percent of revenues collected
11 under this section above the amounts in (b) and (d) of this
12 subsection (2) must be deposited into the foundational public health
13 services account created in RCW 82.25.015.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.24
15 RCW to read as follows:

16 The time sensitive emergency system account is created in the
17 state treasury. The first \$10,000,000 in revenues per fiscal year
18 collected under section 1 of this act must be deposited into the
19 account. Moneys in the account may be spent only after appropriation.
20 Moneys in the account must be used by the department of health to
21 fund a time sensitive emergency system, including for heart attack,
22 cardiac arrest, and stroke, and may be used to fund activities under
23 chapter 70.168 RCW.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.155
25 RCW to read as follows:

26 The supplemental nicotine and tobacco enforcement account is
27 created in the state treasury. After the distribution required by
28 section 1(2)(b) of this act, the next \$2,000,000 in revenues per
29 fiscal year collected under section 1 of this act must be deposited
30 into the account. Moneys in the account may be spent only after
31 appropriation. Moneys in the account must be used by the board for
32 enforcement of this chapter and chapters 70.345, 82.24, 82.25, and
33 82.26 RCW.

34 **Sec. 4.** RCW 82.25.010 and 2019 c 445 s 102 are each amended to
35 read as follows:

1 (1) ~~((a))~~ There is levied and collected a tax upon the sale,
2 use, consumption, handling, possession, or distribution of all vapor
3 products in this state ~~((as follows:~~

4 ~~(i) All vapor products other than those taxed under (a) (ii) of~~
5 ~~this subsection are taxed at a rate equal to twenty-seven cents per~~
6 ~~milliliter of solution, regardless of whether it contains nicotine,~~
7 ~~and a proportionate tax at the like rate on all fractional parts of a~~
8 ~~milliliter thereof.~~

9 ~~(ii) Any accessible container of solution, regardless of whether~~
10 ~~it contains nicotine, that is greater than five milliliters, is taxed~~
11 ~~at a rate equal to nine cents per milliliter of solution and a~~
12 ~~proportionate tax at the like rate on all fractional parts of a~~
13 ~~milliliter thereof.~~

14 ~~(b) The tax in this section must be imposed based on the volume~~
15 ~~of the solution as listed by the manufacturer)) at the rate of 95~~
16 ~~percent of the taxable sales price.~~

17 (2) (a) The tax under this section must be collected at the time
18 the distributor: (i) Brings, or causes to be brought, into this state
19 from without the state vapor products for sale; (ii) makes,
20 manufactures, fabricates, or stores vapor products in this state for
21 sale in this state; (iii) ships or transports vapor products to
22 retailers or consumers in this state; or (iv) handles for sale any
23 vapor products that are within this state but upon which tax has not
24 been imposed.

25 (b) The tax imposed under this section must also be collected by
26 the department from the consumer of vapor products where the tax
27 imposed under this section was not paid by the distributor on such
28 vapor products.

29 (3) (a) The moneys collected under this section must be deposited
30 as follows:

31 (i) Fifty percent into the Andy Hill cancer research endowment
32 fund match transfer account created in RCW 43.348.080; and

33 (ii) Fifty percent into the foundational public health services
34 account created in RCW 82.25.015.

35 (b) The funding provided under this subsection is intended to
36 supplement and not supplant general fund investments in cancer
37 research and foundational public health services.

38 **Sec. 5.** RCW 82.25.005 and 2022 c 16 s 163 are each amended to
39 read as follows:

1 The definitions in this section apply throughout this chapter
2 unless the context clearly requires otherwise.

3 (1) "Accessible container" means a container that is intended to
4 be opened. The term does not mean a closed cartridge or closed
5 container that is not intended to be opened such as a disposable e-
6 cigarette.

7 (2) "Affiliated" means related in any way by virtue of any form
8 or amount of common ownership, control, operation, or management.

9 (3) "Board" means the Washington state liquor and cannabis board.

10 (4) "Business" means any trade, occupation, activity, or
11 enterprise engaged in selling or distributing vapor products in this
12 state.

13 (5) "Distributor" means any person:

14 (a) Engaged in the business of selling vapor products in this
15 state who brings, or causes to be brought, into this state from
16 outside the state any vapor products for sale;

17 (b) Who makes, manufactures, fabricates, or stores vapor products
18 in this state for sale in this state;

19 (c) Engaged in the business of selling vapor products outside
20 this state who ships or transports vapor products to retailers or
21 consumers in this state; or

22 (d) Engaged in the business of selling vapor products in this
23 state who handles for sale any vapor products that are within this
24 state but upon which tax has not been imposed.

25 (6) "Indian country" has the same meaning as provided in RCW
26 82.24.010.

27 (7) "Manufacturer" has the same meaning as provided in RCW
28 70.345.010.

29 (8) "Manufacturer's representative" means a person hired by a
30 manufacturer to sell or distribute the manufacturer's vapor products
31 and includes employees and independent contractors.

32 (9) "Person" means: Any individual, receiver, administrator,
33 executor, assignee, trustee in bankruptcy, trust, estate, firm,
34 copartnership, joint venture, club, company, joint stock company,
35 business trust, municipal corporation, corporation, limited liability
36 company, association, or society; the state and its departments and
37 institutions; any political subdivision of the state of Washington;
38 and any group of individuals acting as a unit, whether mutual,
39 cooperative, fraternal, nonprofit, or otherwise. Except as provided
40 otherwise in this chapter, "person" does not include any person

1 immune from state taxation, including the United States or its
2 instrumentalities, and federally recognized Indian tribes and
3 enrolled tribal members, conducting business within Indian country.

4 (10) "Place of business" means any place where vapor products are
5 sold or where vapor products are manufactured, stored, or kept for
6 the purpose of sale, including any vessel, vehicle, airplane, or
7 train.

8 (11) "Retail outlet" has the same meaning as provided in RCW
9 70.345.010.

10 (12) "Retailer" has the same meaning as provided in RCW
11 70.345.010.

12 (13) "Sale" has the same meaning as provided in RCW 70.345.010.

13 (14) "Taxpayer" means a person liable for the tax imposed by this
14 chapter.

15 (15) "Vapor product" means any noncombustible product containing
16 a solution or other consumable substance (~~(, regardless of whether~~
17 ~~it)~~) that contains nicotine, which employs a mechanical heating
18 element, battery, or electronic circuit regardless of shape or size
19 that can be used to produce vapor from the solution or other
20 substance, including an electronic cigarette, electronic cigar,
21 electronic cigarillo, electronic pipe, or similar product or device.
22 The term also includes any cartridge or other container of liquid
23 nicotine, solution, or other consumable substance, (~~(regardless of~~
24 ~~whether it)~~) that contains nicotine, that is intended to be used with
25 or in a device that can be used to deliver aerosolized or vaporized
26 nicotine to a person inhaling from the device and is sold for such
27 purpose.

28 (a) The term does not include:

29 (i) Any product approved by the United States food and drug
30 administration for sale as a tobacco cessation product, medical
31 device, or for other therapeutic purposes when such product is
32 marketed and sold solely for such an approved purpose;

33 (ii) Any product that will become an ingredient or component in a
34 vapor product manufactured by a distributor; (~~(~~or~~)~~)

35 (iii) Any product that meets the definition of cannabis, useable
36 cannabis, cannabis concentrates, cannabis-infused products,
37 cigarette, or tobacco products; or

38 (iv) Any product, solution, or other consumable substance that
39 would meet the definition of vapor product except for the product,

1 solution, or other consumable substance does not contain any
2 nicotine.

3 (b) For purposes of this subsection (15):

4 (i) "Cigarette" has the same meaning as provided in RCW
5 82.24.010; and

6 (ii) "Cannabis," "useable cannabis," "cannabis concentrates," and
7 "cannabis-infused products" have the same meaning as provided in RCW
8 69.50.101.

9 **Sec. 6.** RCW 82.26.020 and 2019 c 445 s 404 are each amended to
10 read as follows:

11 (1) There is levied and collected a tax upon the sale, handling,
12 or distribution of all tobacco products in this state at the
13 following rate:

14 (a) For cigars except little cigars, ninety-five percent of the
15 taxable sales price of cigars, not to exceed (~~sixty-five cents~~)
16 \$0.85 per cigar;

17 (b) For all tobacco products except those covered under separate
18 provisions of this subsection, ninety-five percent of the taxable
19 sales price. The tax imposed on a product under this subsection must
20 be reduced by (~~fifty~~) 50 percent if that same product is issued a
21 modified risk tobacco product order by the secretary of the United
22 States department of health and human services pursuant to Title 21
23 U.S.C. Sec. 387k(g) (1), or by (~~twenty-five~~) 25 percent if that same
24 product is issued a modified risk tobacco product order by the
25 secretary of the United States department of health and human
26 services pursuant to Title 21 U.S.C. Sec. 387k(g) (2). The tax
27 reduction applies during the period the modified risk tobacco product
28 order is in effect;

29 (c) For moist snuff, as established in this subsection (1)(c) and
30 computed on the net weight listed by the manufacturer:

31 (i) On each single unit consumer-sized can or package whose net
32 weight is one and two-tenths ounces or less, a rate per single unit
33 that is equal to the greater of 2.526 dollars or eighty-three and
34 one-half percent of the cigarette tax under chapter 82.24 RCW
35 multiplied by twenty; or

36 (ii) On each single unit consumer-sized can or package whose net
37 weight is more than one and two-tenths ounces, a proportionate tax at
38 the rate established in (c)(i) of this subsection (1) on each ounce
39 or fractional part of an ounce; and

1 (d) For little cigars, an amount per cigar equal to the cigarette
2 tax under chapter 82.24 RCW.

3 (2) Taxes under this section must be imposed at the time the
4 distributor (a) brings, or causes to be brought, into this state from
5 without the state tobacco products for sale, (b) makes, manufactures,
6 fabricates, or stores tobacco products in this state for sale in this
7 state, (c) ships or transports tobacco products to retailers in this
8 state, to be sold by those retailers, or (d) handles for sale any
9 tobacco products that are within this state but upon which tax has
10 not been imposed.

11 (3) ~~((The))~~ (a) Except as provided in subsection (b) of this
12 section, moneys collected under this section must be deposited into
13 the state general fund.

14 (b) Beginning July 1, 2028, 10 percent of the revenues collected
15 under this section must be deposited into the foundational public
16 health services account created in RCW 82.25.015.

17 **Sec. 7.** RCW 82.25.015 and 2023 c 435 s 9 are each amended to
18 read as follows:

19 The foundational public health services account is created in the
20 state treasury. Half of all of the moneys collected from the tax
21 imposed on vapor products under RCW 66.44.010 must be deposited into
22 the account. Beginning July 1, 2028, 10 percent of specified revenues
23 collected under section 1 of this act, and 10 percent of all revenues
24 collected under RCW 82.26.020, must also be deposited into the
25 account. Moneys in the account may be spent only after appropriation.
26 Moneys in the account are to be used to fund: Education about the
27 health risks and harms associated with the use of cigarettes, tobacco
28 products, and vapor products; cessation services for persons seeking
29 to stop the use of cigarettes, tobacco products, or vapor products;
30 and foundational health services.

31 **Sec. 8.** RCW 43.348.080 and 2025 c 199 s 5 are each amended to
32 read as follows:

33 (1) The Andy Hill cancer research endowment fund match transfer
34 account is created in the custody of the state treasury to be used
35 solely and exclusively for the program created in RCW 43.348.040.
36 Moneys in the account may be spent only after appropriation. The
37 purpose of the account is to provide state matching funds and other
38 state appropriations for the fund and administrative costs.

1 Expenditures to fund or reimburse the program administrator are not
2 subject to the requirements of subsection (5) of this section.

3 (2) The legislature must appropriate a state match, up to a
4 maximum of ten million dollars annually, beginning July 1, 2016, and
5 each July 1st following the end of the fiscal year from tax
6 collections and penalties generated from enforcement of state taxes
7 on cigarettes and other tobacco products by the state liquor and
8 cannabis board or other federal, state or local law or tax
9 enforcement agency, as determined by the department of revenue. Tax
10 collections include any cigarette tax, other tobacco product tax, and
11 retail sales and use tax. Any amounts (~~deposited into this account~~)
12 collected from the tax imposed under RCW 82.25.010 in excess of (~~the~~
13 ~~cap provided in this subsection~~) \$10,000,000 annually for deposit
14 into the Andy Hill cancer research endowment fund match transfer
15 account must be deposited into the foundational public health
16 services account created in RCW 82.25.015. To the extent the tax
17 imposed under RCW 82.25.010 results in less than \$10,000,000 annually
18 to the Andy Hill cancer research endowment fund match transfer
19 account, the remaining amount to reach \$10,000,000 annually must be
20 deposited into this account from the additional tax in section 1 of
21 this act.

22 (3) Revenues to the account must consist of deposits into the
23 account, taxes imposed on vapor products under RCW 82.25.010,
24 legislative appropriations, and any gifts, grants, or donations
25 received by the department for this purpose. Revenues to the account
26 may also consist of revenues from the additional tax in section 1 of
27 this act as provided in section 1(2)(d) of this act and subsection
28 (2) of this section.

29 (4) Each fiscal biennium, the legislature must appropriate to the
30 department of commerce such amounts as estimated to be the balance of
31 the match transfer account to provide state matching funds.

32 (5) Expenditures from the account may be made only upon receipt
33 of proof from the program administrator of committed nonstate or
34 private contributions for cancer research, prevention, or care
35 supported by the match transfer account or advancement of the
36 program. Expenditures from the match transfer account, in the form of
37 matching funds, may not exceed the total amount of committed nonstate
38 or private contributions.

39 (6) The department and board must enter into an appropriate
40 agreement with the program administrator to demonstrate exchange of

1 consideration for the expenditures from the match transfer account
2 that are subject to subsection (5) of this section.

3 (7) Moneys expended into the account in fiscal year 2023 pursuant
4 to section 706, chapter 297, Laws of 2022 are not subject to the
5 requirements of subsections (5) and (6) of this section.

6 (8) Moneys expended into the match transfer account for the
7 purposes of implementing RCW 43.348.090 are not subject to the
8 requirements of subsections (5) and (6) of this section.

9 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2027.

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