

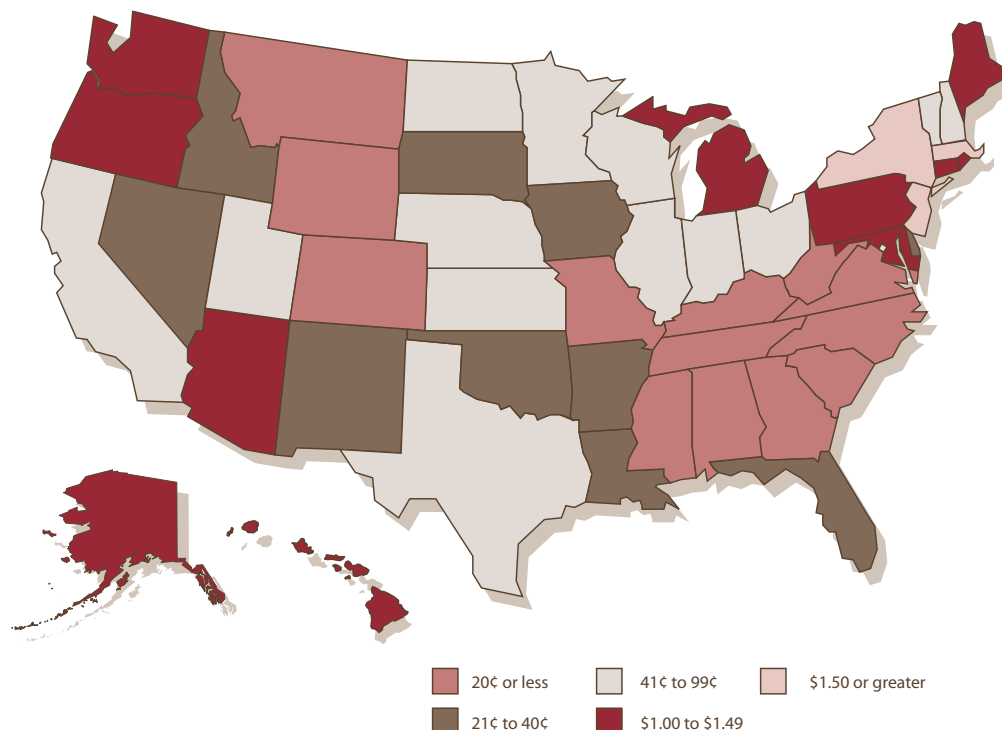


Fact Sheet: Tobacco Product Excise Taxes

State Cancer
Legislative Database
Program, NCI

Excise Tax Rate Per Pack of Cigarettes

(as of December 31, 2002)



Cigarettes

All 50 states and the **District of Columbia** impose excise taxes on cigarettes. As of December 31, 2002, these taxes ranged from 2.5 cents per pack in **Virginia** to \$1.51 per pack in **Massachusetts**, with an average of 60.1 cents nationwide.

Massachusetts, New Jersey, and New York have the highest cigarette excise tax rates; all at \$1.50 or more. **Kentucky, North Carolina, South Carolina, and Virginia** have the lowest rates; all below 10 cents.

Twenty states increased their cigarette excise taxes in 2002. **Massachusetts** lawmakers mandated the largest increase by raising the state's cigarette tax from 76 cents to a national high of \$1.51. The average tax increase during 2002 was 43.5 cents; up 4.5 cents from an average increase of 39 cents in 2001. Notably, the number of states with cigarette tax rates at or greater than \$1.00 more than doubled during 2002; up from 6 states in 2001 to 14 states in 2002.

Chewing Tobacco and Snuff

Forty-six states impose excise taxes on chewing tobacco and snuff. Forty-four states tax a percentage of the wholesale price, manufacturer's selling price, invoice price, or list price, or

impose a tax at a rate proportional to the cigarette tax. Only three states—**Alabama, Arizona, and North Dakota**—tax both chewing tobacco and snuff according to weight. **Connecticut's** law is unique in that it imposes a tax on chewing tobacco at a percentage of the wholesale sales price, but taxes snuff by weight.

Eight states—**Arizona, Indiana, Massachusetts, Michigan, Nebraska, New Hampshire, New York, and Tennessee**—increased the excise tax on chewing tobacco and snuff in 2002. One state, **New Jersey**, decreased its tax on chewing tobacco and snuff from 48 to 30 percent of the wholesale price.

Dedicated Excise Tax Facts

Sixteen states have laws requiring a portion of their cigarette excise taxes to be dedicated to cancer or tobacco control programs. Since 1998, few states have enacted legislation dedicating tobacco excise taxes to health or tobacco control purposes. However, during this same time period, the states began receiving their payments from the tobacco industry through the Master Settlement Agreement and other state settlements and many have dedicated a portion of these funds to cancer and tobacco control.

Source: National Cancer Institute: State Cancer Legislative Database Program, Bethesda, MD, 2003.

Summary of State Excise Taxes on Cigarettes, Chewing Tobacco, and Snuff

(as of December 31, 2002)

State	Cigarettes		Chewing Tobacco and Snuff		States in Which a Portion of Excise Tax Revenues are Dedicated for Cancer or Tobacco Control Purposes
	Current Tax Rate on Cigarettes	Effective Year of Most Recent Tax Change	Current Tax Rate on Chewing Tobacco and Snuff	Effective Year of Most Recent Tax Change	
Alabama	16.5¢	1984	3/4¢ per ounce (chewing tobacco) 1/2¢ per ounce (snuff) ¹	1984	
Alaska	\$1.00	1997	75% of Wholesale Price	1997	
Arizona	\$1.18	2002	13.25¢ per ounce	2002	●
Arkansas ²	34¢	2003	25% of Manufacturer's Sales Price	1993	●
California	87¢	1999	52.65% of Wholesale Cost ³	2001	●
Colorado	20¢	1986	20% of Manufacturer's List Price	1986	
Connecticut	\$1.11	2002	20% of Wholesale Sales Price (chewing tobacco) 40¢ per ounce (snuff)	2000	
Delaware	24¢	1991	15% of Wholesale Sales Price	1987	
District of Columbia	65¢	1993	None	N/A	
Florida	33.9¢	1990	25% of Wholesale Sales Price	1985	●
Georgia	12¢	1971	None	N/A	
Hawaii	\$1.20	2002	40% of Wholesale Sales Price	1965	
Idaho	28¢	1994	40% of Wholesale Sales Price	1994	●
Illinois	98¢	2002	18% of Wholesale Price	1995	
Indiana	55.5¢	2002	18% of Wholesale Sales Price	2002	
Iowa	36¢	1991	22% of Wholesale Sales Price	1991	
Kansas	79¢	2003	10% of Wholesale Sales Price	1972	
Kentucky	3¢	1970	None	N/A	
Louisiana	36¢	2002	20% of Invoice Price	2000	●
Maine	\$1.00	2001	62% of Wholesale Sales Price	1991	●
Maryland	\$1.00	2002	15% of Wholesale Price	2000	
Massachusetts	\$1.51	2002	90% of Wholesale Price	2002	●
Michigan	\$1.25	2002	20% of Wholesale Sales Price	2002	●
Minnesota	48¢	1992	35% of Wholesale Sales Price	1987	
Mississippi	18¢	1985	15% of Manufacturer's List Price	1985	
Missouri	17¢	1993	10% of Manufacturer's Invoice Price	1993	
Montana	18¢	1993	12.5% of Wholesale Sales Price	1993	
Nebraska	64¢	2002	20% of Purchase Price	2002	●
Nevada	35¢	1989	30% of Wholesale Price	1983	
New Hampshire ⁴	52¢	1999	19.7% of Wholesale Price	2002	
New Jersey	\$1.50	2002	30% of Wholesale Price	2002	●
New Mexico	21¢	1993	25% of Product Value	1986	●
New York	\$1.50	2002	37% of Wholesale Price	2002	
North Carolina	5¢	1991	2% of Cost	1992	
North Dakota	44¢	1993	28% of Wholesale Purchase Price (pipe tobacco) 60¢ per ounce (snuff) 16¢ per ounce (chewing tobacco)	2001	
Ohio	55¢	2002	17% of Wholesale Sales Price	1993	
Oklahoma	23¢	1987	30% of Factory List Price	1985	
Oregon	\$1.28	2002	65% of Wholesale Sales Price	2001	●
Pennsylvania	\$1.00	2002	None	N/A	
Rhode Island	\$1.32	2002	30% of Wholesale Sales Price	1992	●
South Carolina	7¢	1977	5% of Manufacturer's Price	1996	
South Dakota	33¢	1995	10% of Wholesale Purchase Price	1995	
Tennessee	20¢	2002	6.6% of Wholesale Sales Price	2002	
Texas	41¢	1990	35% of Manufacturer's List Price	1990	
Utah	69.5¢	2002	35% of Manufacturer's Selling Price	1986	●
Vermont	93¢	2002	41% of Wholesale Price	1995	
Virginia	2.5¢	1966	None	N/A	
Washington	\$1.425	2002	129.42% of Wholesale Sales Price	2002	●
West Virginia	17¢	1978	7% of Wholesale Price	2001	
Wisconsin	77¢	2001	25% of Manufacturer's List Price	2001	
Wyoming	12¢	1989	20% of Wholesale Purchase Price	1999	

1. This is the minimum taxable rate on a graduated scale.

2. A portion of Arkansas' tax increase noted in S.B. 320 (1997) is to be dedicated to breast cancer research and control during the fiscal year 2003.

3. In California, the excise tax rate on chewing tobacco and snuff is set by the state Board of Equalization.

4. In New Hampshire, the excise tax rate on chewing tobacco and snuff is set by the Department of Revenue Administration.