

Cigarette Tax



- The U.S. Centers for Disease Control and Prevention (CDC) estimates that smoking-caused health costs total \$19.16 per pack of cigarettes sold and consumed in the United States.¹
- The federal government charges a cigarette tax of \$1.01 per pack.²
- Additional cigarette taxes range by state with the average tax rate in tobacco-producing states at 48.5 cents, much lower than the average tax rate in non-tobacco producing states, which is \$1.67 per pack.³
- Pennsylvania currently has a cigarette tax rate of \$2.60 per pack.
- The state with the highest tax on cigarettes is New York, with a tax rate of \$4.35. The state with the second highest tax is Massachusetts with a tax rate of \$3.51 per pack. The states with the two lowest tax rates are Missouri and Virginia, which have state taxes of 17 cents and 30 cents, respectively.⁴
- Studies have shown that states that have significantly increased their cigarette tax have seen increases in revenue, even while reducing smoking.⁵
- Most of the recent research has concluded that adolescents and young adults are more responsive than adults to changes in cigarette prices.⁶
- Every 10 percent increase in the real price of cigarette reduces overall cigarette consumption by approximately three to five percent, reduces the number of young-adult smokers by 3.5%, and reduces the number adolescent smokers by six to seven percent.⁷
- The combination of program activity and increases in tobacco taxes reduces cigarette consumption more than would be expected from price increases alone.⁶
- Revenues from cigarette taxes often go to funding important health programs. For example, the 2009 increase to the federal cigarette tax helped to fund an expansion of the Children's Health Insurance Program (CHIP).⁸

¹ Campaign for Tobacco Free Kids. (2015). *Toll of Tobacco in the United States of America*. Retrieved from <https://www.tobaccofreekids.org/research/factsheets/pdf/0072.pdf>

² Campaign for Tobacco Free Kids (2013). *The Erosion of Federal Cigarette Taxes over Time*. Retrieved from <http://www.tobaccofreekids.org/research/factsheets/pdf/0093.pdf>.

³ Campaign for Tobacco Free Kids. (2014). *Trends in Average State Cigarette Tax Rates*. Retrieved from <http://www.tobaccofreekids.org/research/factsheets/pdf/0211.pdf>

⁴ Campaign for Tobacco Free Kids. (2015). *State Cigarette Excise Tax Rates and Rankings*. Retrieved from <https://www.tobaccofreekids.org/research/factsheets/pdf/0097.pdf>

⁵ Campaign for Tobacco Free Kids. (n.d.) *A Win-Win-Win Solution*. Retrieved from https://www.tobaccofreekids.org/what_we_do/state_local/taxes/

⁶ U.S. Department of Health and Human Services. (2012). *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General*. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health.

http://www.cdc.gov/tobacco/data_statistics/sgr/2012/consumer_booklet/pdfs/consumer.pdf

⁷ Lemmens, V, et. al. (2008). Effectiveness of Smoking Cessation Interventions Among Adults: A Systematic Review of Reviews. *European Journal of Cancer Prevention*. Eindhoven, The Netherlands. 17: 535-544.

⁸ Federal Cigarette Tax . (n.d.). *American Lung Association*. Retrieved June 28, 2013, from <http://www.lung.org/stop-smoking/tobacco-control-advocacy/federal/federal-cigarette-tax.html>