



STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.65 per pack
 Major Tobacco States' Average: 48.5 cents per pack
 Other States' Average: \$1.80 per pack

State	Tax	Rank
Alabama	\$0.675	40th
Alaska	\$2.00	13th
Arizona	\$2.00	13th
Arkansas	\$1.15	33rd
California	\$0.87	37th
Colorado	\$0.84	38th
Connecticut	\$3.90	2nd
Delaware	\$1.60	24th
DC	\$2.50	12th
Florida	\$1.339	29th
Georgia	\$0.37	49th
Hawaii	\$3.20	5th
Idaho	\$0.57	45th
Illinois	\$1.98	18th
Indiana	\$0.995	36th
Iowa	\$1.36	28th
Kansas	\$1.29	31st
Kentucky	\$0.60	43rd

State	Tax	Rank
Louisiana	\$1.08	34th
Maine	\$2.00	13th
Maryland	\$2.00	13th
Massachusetts	\$3.51	4th
Michigan	\$2.00	13th
Minnesota	\$3.00	8th
Mississippi	\$0.68	39th
Missouri	\$0.17	51st
Montana	\$1.70	21st
Nebraska	\$0.64	41st
Nevada	\$1.80	19th
New Hampshire	\$1.78	20th
New Jersey	\$2.70	9th
New Mexico	\$1.66	23rd
New York	\$4.35	1st
North Carolina	\$0.45	47th
North Dakota	\$0.44	48th
Ohio	\$1.60	24th

State	Tax	Rank
Oklahoma	\$1.03	35th
Oregon	\$1.32	30th
Pennsylvania	\$2.60	10th
Rhode Island	\$3.75	3rd
South Carolina	\$0.57	45th
South Dakota	\$1.53	26th
Tennessee	\$0.62	42nd
Texas	\$1.41	27th
Utah	\$1.70	21st
Vermont	\$3.08	6th
Virginia	\$0.30	50th
Washington	\$3.025	7th
West Virginia	\$1.20	32nd
Wisconsin	\$2.52	11th
Wyoming	\$0.60	43rd
Puerto Rico	\$3.40	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

Table shows all cigarette tax rates in effect as of August 1, 2016 (PA effective 8/1/16). Since 2002, 47 states and the District of Columbia have increased their cigarette tax rates 126 times. The states in bold have not increased their tax for at least 10 years (since 2006 or earlier). Currently, 34 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 16 states, DC, Puerto Rico, and Guam have cigarette tax rates of \$2.00 per pack or higher; eight states, Puerto Rico and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.53 per pack. AK, MI, MN, MS, TX, and UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

The highest combined state-local tax rate is \$6.16 in Chicago, IL, with New York City second at \$5.85 per pack. Other high state-local rates include Evanston, IL at \$5.48 and Juneau, AK at \$5.00 per pack. For more on local cigarette taxes, see: <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.

Federal cigarette tax is \$1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies increased the prices they charge by more than \$1.25 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. In the last several years, the major cigarette companies have increased their product prices by almost \$1.00 per pack. **Nationally, estimated smoking-caused health costs and lost productivity totals \$19.16 per pack.**

The weighted average price for a pack of cigarettes nationwide is roughly \$6.01 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; OK has a state sales tax, but does not apply it to cigarettes; MN & DC apply a per-pack sales tax at the wholesale level; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

Campaign for Tobacco-Free Kids, July 14, 2016 / Ann Boonn

For additional information see the Campaign's website at http://www.tobaccofreekids.org/what_we_do/state_local/taxes/.

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2014; media reports; state revenue department websites.