



CIGARETTE TAX INCREASES vs. CIGARETTE COMPANY PRICE INCREASES (Compared to Average Retail Prices 1993-2007)

<u>Date of Change</u>	<u>Wholesale Price Per Pack (before taxes)</u>	<u>Federal Tax (per pack)</u>	<u>Average State Tax</u>	<u>Average Retail Price (with federal & state excise taxes)</u>
November 1993	\$0.88	\$0.24	\$0.29	\$1.69
November 1994	\$0.88	\$0.24	\$0.30	\$1.76
May 1995	\$0.91	\$0.24		
November 1995	\$0.91	\$0.24	\$0.33	\$1.80
May 1996	\$0.95	\$0.24		
November 1996	\$0.95	\$0.24	\$0.33	\$1.85
March 1997	\$1.00	\$0.24		
September 1997	\$1.07	\$0.24		
November 1997	\$1.07	\$0.24	\$0.37	\$1.95
January 1998	\$1.09	\$0.24		
April 1998	\$1.14	\$0.24		
May 1998	\$1.19	\$0.24		
August 1998	\$1.25	\$0.24		
November 1998	\$1.25	\$0.24	\$0.39	\$2.18
November 23, 1998	\$1.70	\$0.24		
August 1999	\$1.88	\$0.24		
November 1999	\$1.88	\$0.24	\$0.41	\$2.92
January 2000	\$1.91	\$0.34		
August 2000	\$1.97	\$0.34		
November 2000	\$2.07	\$0.34	\$0.42	\$3.12
December 2000	\$2.11	\$0.34		
April 2001	\$2.25	\$0.34		
October 29, 2001	\$2.30	\$0.34		
November 2001	\$2.30	\$0.34	\$0.43	\$3.37
January 1, 2002	\$2.25	\$0.39		
April 2002	\$2.37	\$0.39		
November 2002	\$2.37	\$0.39	\$0.61	\$3.72
February 2004	\$2.37	\$0.39	\$0.735	
December 2006	\$2.28	\$0.39	\$1.001	\$4.21
July 2007	\$2.28	\$0.39	\$1.073	\$4.34

Sources: Economic Resource Service, USDA, <http://www.ers.usda.gov/Briefing/tobacco/Data/table09.pdf>. Media stories on price and tax increases; *The Tax Burden on Tobacco*, 2006. Average retail cigarette prices do not include sales taxes or local excise taxes, but are based on all cigarette sales, including generics. The gaps in the last two columns occur because no good, consistent data exists for the corresponding dates. Wholesale cigarette prices are the prices charged by the major cigarette manufacturers (e.g., Philip Morris or RJR) to wholesalers/distributors, who then sell them to retailers. Wholesale prices are for regular packs of the leading brands; and do not include manufacturer rebates or other promotions. Average retail prices are for all brands, including generics, and do not include sales taxes or any local cigarette taxes and may not include all the special discounts, coupons, and the like that apply at the retail level.

Most recent federal cigarette tax rate increases. The 1983 federal cigarette tax rate increase (from 8 to 16 cents per pack) passed in the Tax Equity and Fiscal Responsibility Act, PL 97-248 signed in 1982 by President Ronald Reagan. The 1991 and 1993 rate increases (from 16 to 20 and then 24 cents) both passed at same time via Revenue Reconciliation Act, PL 101-508, signed in 1990 by President George H.W. Bush. The 2000 and 2002 rate increases (from 24 to 34 and then 39 cents) both passed at same time in the Balanced Budget Act of 1997, P.L. 105-33, signed by President Bill Clinton.

Campaign for Tobacco-Free Kids, July 1, 2007 / Ann Boonn

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