



STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.27 per pack
 Major Tobacco States' Average: 38.5 cents per pack
 Other States' Average: \$1.38 per pack

State	Tax	Rank
Alabama	\$0.425	45th
Alaska	\$2.00	7th
Arizona	\$2.00	7th
Arkansas	\$1.15	26th
California	\$0.87	32nd
Colorado	\$0.84	33rd
Connecticut	\$2.00	7th
Delaware	\$1.15	26th
DC	\$2.00	7th
Florida	\$1.339	22nd
Georgia	\$0.37	46th
Hawaii	\$2.60	3rd
Idaho	\$0.57	42nd
Illinois	\$0.98	30th
Indiana	\$0.995	29th
Iowa	\$1.36	20th
Kansas	\$0.79	35th
Kentucky	\$0.60	40th

* Effective 7/1/2009

State	Tax	Rank
Louisiana	\$0.36	47th
Maine	\$2.00	7th
Maryland	\$2.00	7th
Massachusetts	\$2.51	5th
Michigan	\$2.00	7th
Minnesota	\$1.504	18th
Mississippi	\$0.68	37th
Missouri	\$0.17	50th
Montana	\$1.70	16th
Nebraska	\$0.64	38th
Nevada	\$0.80	34th
New Hampshire	\$1.33	23rd
New Jersey	\$2.58	4th
New Mexico	\$0.91	31st
New York	\$2.75	2nd
North Carolina	\$0.35	48th
North Dakota	\$0.44	44th
Ohio	\$1.25	24th

** Tax stamp includes 75¢ health impact fee & 27.4¢ cigarette sales tax (Commissioner of Revenue sets sales tax rate each year)

State	Tax	Rank
Oklahoma	\$1.03	28th
Oregon	\$1.18	25th
Pennsylvania	\$1.35	21st
Rhode Island	\$3.46	1st
South Carolina	\$0.07	51st
South Dakota	\$1.53	17th
Tennessee	\$0.62	39th
Texas	\$1.41	19th
Utah	\$0.695	36th
Vermont	\$1.99	14th
Virginia	\$0.30	49th
Washington	\$2.025	6th
West Virginia	\$0.55	43rd
Wisconsin	\$1.77	15th
Wyoming	\$0.60	40th
Puerto Rico	\$1.23	NA
Guam	\$1.00	NA
Northern Marianas	\$1.75	NA

Table shows all cigarette tax rates in effect now and those that will go into effect through July 1, 2009. Since 2002, 46 States, DC, and several U.S. territories have increased their cigarette tax rates 88 times. The four states in **bold type** have not increased their cigarette tax since 1999 or much earlier. Currently, 28 states (including DC) and Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 13 states (including DC) have cigarette tax rates of \$2.00 per pack or higher; one state (RI) has a cigarette tax rate of \$3.00 per pack or higher. 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 \$1.15 per pack. MI, MN, and UT also have special 35¢ per pack taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

The highest combined state-local tax rate is \$4.25 in New York City, with Chicago, IL second at \$3.66 per pack. Other high state-local rates include Evanston, IL at \$3.48 and Anchorage, AK at \$3.324 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, Philip Morris, Reynolds American, and Lorillard have increased their product prices by almost \$1.00 per pack. **The U.S. Centers for Disease Control & Prevention estimates that smoking-caused health costs total \$10.28 per pack sold and consumed in the U.S.**

The average price for a pack of cigarettes nationwide is roughly \$5.06 (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; CO, MN & OK have a state sales tax but it do not apply it to cigarettes; 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, May 28, 2009 / Eric Lindblom

For additional information see the Campaign's website at <http://tobaccofreekids.org/reports/prices>.

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2008; media reports.