



STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.184 per pack
 Major Tobacco States' Average: 33.5 cents per pack
 Other States' Average: \$1.297 per pack

State	Tax	Rank
Alabama	\$0.425	42nd
Alaska	\$2.00	6th
Arizona	\$2.00	6th
Arkansas	\$0.59	38th
California	\$0.87	30th
Colorado	\$0.84	31st
Connecticut	\$2.00	6th
Delaware	\$1.15	24th
DC*	\$2.00	6th
Florida	\$0.339	46th
Georgia	\$0.37	43rd
Hawaii**	\$2.00	6th
Idaho	\$0.57	39th
Illinois	\$0.98	28th
Indiana	\$0.995	27th
Iowa	\$1.36	20th
Kansas	\$0.79	33rd
Kentucky	\$0.30	47th

State	Tax	Rank
Louisiana	\$0.36	44th
Maine	\$2.00	6th
Maryland	\$2.00	6th
Massachusetts	\$2.51	3rd
Michigan	\$2.00	6th
Minnesota†	\$1.49	18th
Mississippi	\$0.18	49th
Missouri	\$0.17	50th
Montana	\$1.70	16th
Nebraska	\$0.64	35th
Nevada	\$0.80	32nd
New Hampshire	\$1.08	25th
New Jersey	\$2.58	2nd
New Mexico	\$0.91	29th
New York	\$2.75	1st
North Carolina	\$0.35	45th
North Dakota	\$0.44	41st
Ohio	\$1.25	22nd

State	Tax	Rank
Oklahoma	\$1.03	26th
Oregon	\$1.18	23rd
Pennsylvania	\$1.35	21st
Rhode Island	\$2.46	4th
South Carolina	\$0.07	51st
South Dakota	\$1.53	17th
Tennessee	\$0.62	36th
Texas	\$1.41	19th
Utah	\$0.695	34th
Vermont	\$1.99	14th
Virginia	\$0.30	47th
Washington	\$2.025	5th
West Virginia	\$0.55	40th
Wisconsin	\$1.77	15th
Wyoming	\$0.60	37th
Puerto Rico	\$1.23	NA
Guam	\$1.00	NA
Northern Marianas	\$1.75	NA

* Effective October 1, 2008

** Effective September 30, 2008.

† Tax stamp includes 75¢ health impact fee & 26¢ cigarette sales tax (Commissioner of Revenue sets sales tax rate each year)

Table shows all cigarette taxes already passed into law that will go into effect by the end of 2008. Since 2002, 44 States, DC and several U.S. territories have increased their cigarette tax rates more than 80 times. The six states in **bold type** have not increased their cigarette tax since 1999 or much earlier. 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. Including Puerto Rico (which has a larger U.S. population than more than 20 states and DC) raises the state average slightly. The median tax rate is \$1.03 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 now \$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 39¢ 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 RJ Reynolds followed suit. In 2005, Philip Morris and Reynolds American announced price increases of about ten cents per pack; in September 2007, Philip Morris, Reynolds American, and Lorillard increased their product prices by five cents per pack; and in May 2008, Philip Morris and Lorillard increased their product prices by another 9 cents 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 United States.**

The average price for a pack of cigarettes nationwide is roughly \$4.22 (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, July 1, 2008 / Eric Lindblom

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

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2007; media reports.