



## TRENDS IN AVERAGE STATE CIGARETTE TAX RATES

### Average State Cigarette Tax Rates (Cents Per Pack)

	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	5/28/09*
<b>Average State Cigarette Tax</b>	43.4	61.1	72.9	78.0	92.9	96.1	111.2	118.9	126.6
<b>Tobacco State Average</b>	7.1	8.25	12.4	15.3	25.7	26.5	33.5	33.5	38.5
<b>Non Tobacco State Average</b>	48.3	68.2	80.9	86.4	101.9	105.4	121.6	130.3	138.4

\*Includes all cigarette tax increases through July 1, 2009.

The above rates are the average of state cigarette tax rates including all fifty U.S. states, the District of Columbia, and Puerto Rico, a U.S. territory with a larger U.S. population than more than 20 different states and DC. Neither table includes any other U.S. territories (which typically have well above average tobacco tax rates). Tobacco States are KY, VA, NC, SC, GA, and TN, which account for more than 90% of all cigarette tobacco leaf grown in the U.S. and contain more than 90% of all U.S. tobacco farms that grow cigarette tobacco.

**46 states, DC and Puerto Rico (and the U.S. territories of Guam and the Northern Marianas Islands) have implemented or passed 88 cigarette tax increases since the beginning of 2002, with 22 of those states passing multiple tax increases.** Currently, 28 states (including DC), 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; and one state (RI) has a cigarette tax rate of \$3.00 per pack or higher. Also, New York City has a separate local cigarette tax of \$1.50, making the combined state/local cigarette tax there \$4.25 per pack; Cook County, IL has a \$2.00 local tax; and Chicago has a \$0.68 local tax, making the combined state/local cigarette tax in Chicago \$3.66 per pack. [For other local cigarette tax rates, see <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.]

**The U.S. Centers for Disease Control and Prevention estimates that smoking-caused health costs total \$10.28 per pack sold in the United States.** [CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs—United States 1997-2001," *MMWR*, July 1, 2005.]

**From the beginning of 1998 to the end of 2002, the major cigarette companies increased the prices they charge by more than \$1.25 per pack.** Over the same time period, the average state cigarette tax increased by less than 23 cents. Federal cigarette tax is \$1.01 per pack, after a 60.66-cent increase on April 1, 2009. [Orzechowski & Walker, *Tax Burden on Tobacco*, 2008 (industry-funded annual report); USDA Economic Research Service.]

**Every state that has ever increased its cigarette tax rate has received more revenue than it would have obtained absent the rate increase.** In fact, every state that has increased its cigarette tax by a significant amount has enjoyed a substantial increase in revenue, despite ongoing and tax-specific smoking declines and any ongoing or increased tax evasion. [See, e.g., Campaign for Tobacco-Free Kids factsheet, *Raising State Tobacco Taxes Always Increases State Revenues & Always Reduces Tobacco Use*, <http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf>.]

**Campaign for Tobacco-Free Kids, May 28, 2009 / Ann Boonn**

Additional factsheets on state cigarette taxes are available at <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>.