and R.J. Reynolds followed suit. In the last five years, the major cigarette companies have increased their product prices
pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands,
local cigarette or sales taxes, other than NYC’s $1.50 per pack cigarette tax), with considerable state-to-state differences.
The weighted average price for a pack of cigarettes nationwide is roughly $8.28 (including statewide sales taxes but not
competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per
increased the prices they charge by more than $1.25 per pack (but also instituted aggressive retail-level discounting for
Federal cigarette tax is $1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies
increased their tax rates 142 times. The states in bold have not increased their tax for at least 10 years (since 2013 or
earlier). Currently, 37 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $1.00 per
pack or higher; 22 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $2.00 per
pack or higher; ten states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $3.00 per
pack or higher; three states, DC, Puerto Rico, and Guam have cigarette tax rates of $4.00 per pack or higher; and Puerto
Rico has a cigarette tax rate higher than $5.00. States’ average includes DC, but not Puerto Rico, other U.S. territories, or
local cigarette taxes. The median tax rate is $1.78 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 $7.16 in Chicago, IL, with Evanston, IL second at $6.48 per pack.
Other high state-local rates include New York City at $5.85 and Juneau, AK at $6.00 per pack. For more information on
local cigarette taxes, see: http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf.

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and R.J. Reynolds followed suit. In the last five years, the major cigarette companies have increased their product prices
by more than $1.00 per pack. Nationally, estimated smoking-caused health care costs total $20.52 per pack.

The weighted average price for a pack of cigarettes nationwide is roughly $8.28 (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, December 23, 2022 / Ann Boonn

For additional information see the Campaign’s website at https://tobaccofreekids.org/fact-sheets/tobacco-control-policies/tobacco-taxes.

Sources: Orzechowski & Walker, Tax Burden on Tobacco, 2021; media reports; state revenue department websites.