

CAPITOL FACTS & FIGURES

GOVERNMENT

State Cigarette Taxes

Cigarette taxes are a means to raise state revenue in a down economy as well as to discourage the use of tobacco.

- Since 2009, tobacco taxes have been increased in 19 states and Washington, D.C.: Arkansas, Connecticut, Delaware, Florida, Hawaii, Kentucky, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Washington and Wisconsin.
- The current average state cigarette tax is \$1.45 per pack, with rates ranging from a low of 17 cents in Missouri to a high of \$4.35 in New York. New York became the fourth state to increase its cigarette tax rate in 2010, joining New Mexico, Utah and Washington.
- Five states—Connecticut, Hawaii, New York, Rhode Island and Washington—have taxes at or above \$3 per pack; and 12 states—Alabama, Georgia, Idaho, Kentucky, Louisiana, Missouri, North Carolina, North Dakota, South Carolina, Virginia, West Virginia and Wyoming—have taxes at or below 60 cents per pack.
- Despite declines in smoking rates and cigarette sales, in every instance where a state has passed a significant cigarette tax increase, the state experienced a substantial increase to its state cigarette tax revenues.¹

Studies find that increasing the price of tobacco effectively reduces smoking rates and can potentially save billions of dollars in medical expenses and loss of productivity annually.

- The surgeon general concluded that increasing the price of tobacco products will decrease the prevalence of tobacco use, and that tobacco excise tax increases will lead to substantial long-term improvements in health.²
- A 10 percent increase in the price of cigarettes can reduce total cigarette consumption by nearly 4 percent and by nearly 7 percent among youth.³
- Tobacco use is the leading preventable cause of



death in the U.S., killing more than 400,000 people and costing \$96 billion a year in health care costs. Every day, another 1,000 kids become regular smokers—one-third of them will die prematurely as a result.³

States fail to use increased tax revenues to expand tobacco prevention and control programs.

- In 2009, 14 states and Washington, D.C., raised excise taxes on cigarettes, but none are using the new money to control tobacco use.⁴
- Only North Dakota funds its tobacco control programs at Centers for Disease Control and Prevention-recommended levels in the 2010 fiscal year.⁴
- Only five states—Arkansas, Florida, North Dakota, Oklahoma and South Carolina—increased funding for tobacco prevention and cessation programs by a significant amount in the 2010 fiscal year.⁵
- A study published in the American Journal of Public Health in 2008 concluded that if states had spent just the minimum amount recommended by the CDC between 1995 and 2003, there would have been between 2.2 million and 7.1 million fewer smokers.⁶
- When combined with other evidence-based components of comprehensive tobacco control programs, cigarette excise tax increases can be even more effective in reducing tobacco-related death and disease.⁷



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REFERENCES

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- 2 Centers for Disease Control and Prevention (CDC). "Reducing Tobacco Use: A Report of the Surgeon General." 2000. Available from http://profiles.nlm.nih.gov/NN/B/B/L/Q/_/nnbblq.pdf.
- 3 Campaign for Tobacco-Free Kids. "Tobacco Taxes: A Win-Win-Win for Cash-Strapped States," February 10, 2010. Available from <http://www.rwjf.org/files/research/20100209tobaccotax.pdf>.

4 Centers for Disease Control and Prevention. "State Cigarette Excise Taxes—United States, 2009." Morbidity and Mortality Weekly Report. April 9, 2010. Available from <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5913a1.htm>.

5 American Lung Association. "State Funding for Tobacco Prevention & Cessation Programs." Available from <http://slati.lungusa.org/reports/FundingTobaccoPreventionCessationPrograms-FactSheet.pdf>

6 Farrelly MC, Pechacek TF, Thomas KY, Nelson D. "The Impact of Tobacco Control Programs on Adult Smoking." American Journal of Public Health. February 2008. 98(2): 304-9.

7 CDC. "State Cigarette Excise Taxes."



State Cigarette Excise Taxes, July 2010

State	Tax	Rank
Alabama	\$0.43	47
Alaska	\$2.00	11
Arizona	\$2.00	11
Arkansas	\$1.15	33
California	\$0.87	33
Colorado	\$0.84	34
Connecticut	\$3.00	4
Delaware	\$1.60	20
District of Columbia	\$2.50	9
Florida	\$1.34	26
Georgia	\$0.37	48
Hawaii	\$3.00	4
Idaho	\$0.57	42
Illinois	\$0.98	32
Indiana	\$1.00	31
Iowa	\$1.36	25
Kansas	\$0.79	36
Kentucky	\$0.60	40
Louisiana	\$0.36	49
Maine	\$2.00	11
Maryland	\$2.00	11
Massachusetts	\$2.51	8
Michigan	\$2.00	11
Minnesota	\$1.56	22
Mississippi	\$0.68	37
Missouri	\$0.17	51
Montana	\$1.70	17
Nebraska	\$0.64	38
Nevada	\$0.80	35
New Hampshire	\$1.78	16
New Jersey	\$2.70	6
New Mexico	\$1.66	19
New York	\$4.35	1
North Carolina	\$0.45	45
North Dakota	\$0.44	46
Ohio	\$1.25	27
Oklahoma	\$1.03	30
Oregon	\$1.18	28
Pennsylvania	\$1.60	20
Rhode Island	\$3.46	2
South Carolina	\$0.57	42
South Dakota	\$1.53	23
Tennessee	\$0.62	39
Texas	\$1.41	24
Utah	\$1.70	17
Vermont	\$2.24	10
Virginia	\$0.30	50
Washington	\$3.03	3
West Virginia	\$0.55	44
Wisconsin	\$2.52	7
Wyoming	\$0.60	40

Source: Campaign for Tobacco-Free Kids, <http://tobaccofreedids.org/reports/prices>