



## State Cigar Taxation Laws, Selected Years 2005-2014

### Introduction

A cigar is a roll of tobacco that is wrapped in tobacco leaf or in a tobacco-containing substance.<sup>1</sup> Cigars generally weigh more than 3 pounds per 1000.<sup>2</sup> Cigars are usually sold individually and typically contain between 1 and 20 grams of tobacco.

This fact sheet documents the variability in cigar taxation across the 50 states and the District of Columbia, as of January 1 for selected years between 2005 and 2014. Data on state cigar tax rates were compiled through primary legal research into each state's statutory and administrative codes, using the commercial legal research services, LexisNexis and Westlaw. The data were verified through secondary sources, and in some cases through telephone or email consultation with given state Department of Revenue officials.

A companion [chartbook](#) and complete data files listing the cigar tax rates from January 1, 2005 through January 1, 2014 in all 50 states and Washington, D.C. is available through the [Tobacconomics](#) website.

<sup>1</sup>Office on Smoking and Health, National Center for Chronic Disease Prevention and Health Promotion. *Cigars Fact Sheet*. [http://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/tobacco\\_industry/cigars/index.htm](http://www.cdc.gov/tobacco/data_statistics/fact_sheets/tobacco_industry/cigars/index.htm). Updated 2015. Accessed August 15, 2015.

<sup>2</sup>Legacyforhealth.org. *Tobacco Fact Sheet: Cigars, Cigarillos and Little Cigars*. [http://www.legacyforhealth.org/content/download/642/7502/version/2/file/Fact\\_Sheet-Cigars\\_Cigarillos\\_LittleCigars.pdf](http://www.legacyforhealth.org/content/download/642/7502/version/2/file/Fact_Sheet-Cigars_Cigarillos_LittleCigars.pdf). Updated 2015. Accessed August 15, 2015.

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### Key Findings

As of January 1, 2014, cigars were taxed in 48 states. The majority of these states taxed cigars on an ad valorem basis (43 states); the remaining 5 states levied a specific tax on cigars.

#### *Ad Valorem Excise Taxes on Cigars*

- As of January 1, 2014, the ad valorem tax rate on cigars ranged from 5% of manufacturer's price (in South Carolina) to 95% of the taxable sales price (in Washington) and 95% of the wholesale sales price (in Minnesota).
- The mean ad valorem cigar tax rate increased from 28.31% (across 41 states) in 2005 to 38.63% (across 43 states) in 2014.

#### *Specific Excise Taxes on Cigars*

- As of January 1, 2014, the 5 states that taxed cigars through a specific tax levied a tax that ranged from \$0.006 per cigar (in Alabama) to \$2.00 per cigar (in Vermont).
- The mean specific cigar tax rate increased from \$0.07 per cigar (across 4 states) in 2005 to \$0.47 per cigar (across 5 states) in 2014.

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✓ Yes    Blank No

**W/ OTP (With other OTPs); Std. Al. (Stand-alone definition/taxation); CP (Cost Price); DP (Distributor's Price); ea (each); MIP (Manufacturer's Invoice Price); MLP (Manufacturer's List Price); MP (Manufacturer's Price); MSP (Manufacturer's Sales Price); PV (Product Value); PP (Purchase Price); TSP (Taxable Sales Price); WC (Wholesale Cost); WCP (Wholesale Cost Price); WPP (Wholesale Purchase Price); WSP (Wholesale Sales Price); WP (Wholesale Price)**

	Taxed (Y/N)	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific
AL	✓	Std. Al.	Std. Al.		\$0.006 ea		\$0.006 ea		\$0.006 ea		\$0.006 ea
AK	✓	W/ OTP	W/ OTP	75% WP		75% WP		75% WP		75% WP	
AZ	✓	W/ OTP	Std. Al.		\$0.13 ea		\$0.218 ea		\$0.218 ea		\$0.218 ea
AR	✓	W/ OTP	W/ OTP	32% MSP		32% MSP		68% MSP		68% MSP	
CA	✓	W/ OTP	W/ OTP	46.76% WC		46.76% WC		33.02% WC		29.82% WC	
CO	✓	W/ OTP	W/ OTP	40% MLP		40% MLP		40% MLP		40% MLP	
CT	✓	W/ OTP	W/ OTP	20% WSP		20% WSP		27.5% WSP		50% WSP	
DE	✓	W/ OTP	W/ OTP	15% WP		15% WP		15% WP		15% WP	
DC											
FL											
GA	✓	W/ OTP	Std. Al.	23% WCP		23% WCP		23% WCP		23% WCP	
HI	✓	W/ OTP	Std. Al.	40% WP		40% WP		50% WP		50% WP	
ID	✓	W/ OTP	W/ OTP	40% WSP		40% WSP		40% WSP		40% WSP	
IL	✓	W/ OTP	W/ OTP	18% WP		18% WP		18% WP		36% WP	
IN	✓	W/ OTP	W/ OTP	18% WP		24% WP		24% WP		24% WP	
IA	✓	W/ OTP	W/ OTP	22% WSP		50% WSP		50% WSP		50% WSP	
KS	✓	W/ OTP	W/ OTP	10% WSP		10% WSP		10% WSP		10% WSP	
KY	✓	W/ OTP	W/ OTP			7.5% WSP		15% WSP		15% DP	
LA	✓	Std. Al.	Std. Al.	20% MIP		20% MIP		20% MIP		20% MIP	
ME	✓	W/ OTP	W/ OTP	16% WSP		20% WSP		20% WSP		20% WSP	
MD	✓	W/ OTP	Std. Al.	15% WP		15% WP		15% WP		70% WP	
MA	✓	Std. Al.	W/ OTP	30% WP		30% WP		30% WP		40% WP	
MI	✓	W/ OTP	W/ OTP	32% WP		32% WP		32% WP		32% WP	
MN	✓	W/ OTP	W/ OTP	35% WSP		70% WSP		70% WSP		95% WSP	
MS	✓	W/ OTP	W/ OTP	15% MLP		15% MLP		15% MLP		15% MLP	
MO	✓	W/ OTP	W/ OTP	10% MIP		10% MIP		10% MIP		10% MIP	

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	Taxed (Y/N) (2014)	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific
<b>MT</b>	✓	W/ OTP	W/ OTP	25% WP		50% WP		50% WP		50% WP	
<b>NE</b>	✓	W/ OTP	W/ OTP	20% PP		20% PP		20% PP		20% PP	
<b>NV</b>	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
<b>NH</b>	✓	W/ OTP	W/ OTP					65.03% WSP		65.03% WSP	
<b>NJ</b>	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
<b>NM</b>	✓	W/ OTP	W/ OTP	25% PV		25% PV		25% PV		25% PV	
<b>NY</b>	✓	W/ OTP	W/ OTP	37% WP		37% WP		75% WP		75% WP	
<b>NC</b>	✓	W/ OTP	W/ OTP	2% CP		10% CP		12.8% CP		12.8% CP	
<b>ND</b>	✓	Std. Al.	Std. Al.	28% WPP		28% WPP		28% WPP		28% WPP	
<b>OH</b>	✓	W/ OTP	W/ OTP	17% WP		17% WP		17% WP		17% WP	
<b>OK</b>	✓	W/ OTP	Std. Al.		\$0.12 ea		\$0.12 ea		\$0.12 ea		\$0.12 ea
<b>OR</b>	✓	W/ OTP	W/ OTP	65% WSP		65% WSP		65% WSP		65% WSP	
<b>PA</b>											
<b>RI</b>	✓	Std. Al.	W/ OTP	30% WC		40% WC		80% WC		80% WC	
<b>SC</b>	✓	W/ OTP	W/ OTP	5% MP		5% MP		5% MP		5% MP	
<b>SD</b>	✓	W/ OTP	W/ OTP	10% WPP		35% WPP		35% WPP		35% WPP	
<b>TN</b>	✓	W/ OTP	W/ OTP	6.6% WCP		6.6% WCP		6.6% WCP		6.6% WCP	
<b>TX</b>	✓	W/ OTP	Std. Al.		\$0.011 ea		\$0.011 ea		\$0.011 ea		\$0.011 ea
<b>UT</b>	✓	W/ OTP	W/ OTP	35% MSP		35% MSP		86% MSP		86% MSP	
<b>VT</b>	✓	W/ OTP	Std. Al.	41% WP		41% WP			\$2.00 ea		\$2.00 ea
<b>VA</b>	✓	W/ OTP	W/ OTP			10% MSP		10% MSP		10% MSP	
<b>WA</b>	✓	W/ OTP	W/ OTP	129.42% TSP		75% TSP		95% TSP		95% TSP	
<b>WV</b>	✓	W/ OTP	W/ OTP	7% WP		7% WP		7% WP		7% WP	
<b>WI</b>	✓	W/ OTP	W/ OTP	25% MLP		50% MLP		71% MLP		71% MLP	
<b>WY</b>	✓	Std. Al.	W/ OTP	20% WPP		20% WPP		20% WPP		20% WPP	