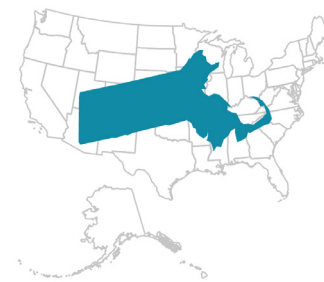


# Massachusetts



**Table 1: Other Tobacco Product Taxation**

OTP Taxed? No  Yes

*If yes, which products are taxed as of January 1, 2014?*

✓ Yes   Blank No   -- Not Applicable/Addressed

| Product                     | Taxed? | Type of Tax |          | How Defined? | How Taxed? | Rate Change Since 2005? |
|-----------------------------|--------|-------------|----------|--------------|------------|-------------------------|
|                             |        | Ad Valorem  | Specific |              |            |                         |
| Cigars                      | ✓      | ✓           |          | Stand-alone  | With OTPs  | ↑                       |
| Cigarillos                  | ✓      | ✓           |          | Stand-alone  | With OTPs  | ↑                       |
| Little Cigars               | ✓      |             | ✓        | Cigarette    | Cigarette  | ↑                       |
| Pipe Tobacco                | ✓      | ✓           |          | With OTPs    | With OTPs  | ↑                       |
| Roll-Your-Own Tobacco       | ✓      | ✓           |          | With OTPs    | With OTPs  | ↑                       |
| Dry Snuff                   | ✓      | ✓           |          | With OTPs    | With OTPs  | ↑                       |
| Moist Snuff                 | ✓      | ✓           |          | With OTPs    | Smokeless  | ↑                       |
| Snus                        | ✓      | ✓           |          | With OTPs    | Smokeless  | ↑                       |
| Smokeless Tobacco Generally | ✓      | ✓           |          | With OTPs    | Smokeless  | ↑                       |
| Dissolvables                | No     | --          | --       | --           | --         | Not applicable          |
| E-cigarettes                | No     | --          | --       | --           | --         | Not applicable          |

↓ Rate Decreased   ↑ Rate Increased   ↔ No Change

**Table 2: Summary of Cigarette and OTP Tax Rates, Selected Years, 2005-2014**

| Product                     | 2005        | 2008        | 2011        | 2014        |
|-----------------------------|-------------|-------------|-------------|-------------|
| Cigarettes                  | \$1.51/20 § | \$1.51/20 § | \$2.51/20 § | \$3.51/20 § |
| Cigars                      | 30% WP Δ    | 30% WP Δ    | 30% WP Δ    | 40% WP Δ    |
| Cigarillos                  | 30% WP Δ    | 30% WP Δ    | 30% WP Δ    | 40% WP Δ    |
| Little Cigars               | \$1.51/20 § | \$1.51/20 § | \$2.51/20 § | \$3.51/20 § |
| Pipe Tobacco                | 30% WP Δ    | 30% WP Δ    | 30% WP Δ    | 40% WP Δ    |
| Roll-Your-Own Tobacco       | 30% WP Δ    | 30% WP Δ    | 30% WP Δ    | 40% WP Δ    |
| Dry Snuff                   | 90% PPL Δ   | 90% PPL Δ   | 90% PPL Δ   | 210% PPL Δ  |
| Moist Snuff                 | 90% PPL Δ   | 90% PPL Δ   | 90% PPL Δ   | 210% PPL Δ  |
| Snus                        | 90% PPL Δ   | 90% PPL Δ   | 90% PPL Δ   | 210% PPL Δ  |
| Smokeless Tobacco Generally | 90% PPL Δ   | 90% PPL Δ   | 90% PPL Δ   | 210% PPL Δ  |
| Dissolvables                | --          | --          | --          | --          |
| E-cigarettes                | --          | --          | --          | --          |

Δ Ad Valorem; § Specific; -- Not taxed; WP=Wholesale Price; PPL=Price Paid by Licensee/Unclassified Acquirer.

| WP | Wholesale Price   |
|----|---|
|    | "... the price set for such products or... the wholesale value of these products;" (MASS. GEN. LAWS ANN. ch. 64c, § 7b) |

| PPL | Price Paid by Licensee   |
|-----|--|
|     | "...the excise imposed by this section shall equal 160 per cent of the <u>price paid by such licensee or unclassified acquirer</u> to purchase smokeless tobacco..." (MASS. GEN. LAWS ANN. ch. 64C, § 6) |

\*Underlined language indicates the unit of analysis