

Alcohol and Tobacco Taxes



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Alcohol and Tobacco Taxes

The state imposes a number of excise and occupational taxes on the sale of specific products in Wisconsin. An excise tax is a tax on the consumer, rather than the seller, while an occupational tax is imposed on the privilege of engaging in a particular business. State general fund excise or occupational taxes are currently levied on cigarettes, tobacco products, fermented malt beverages (primarily beer, but includes other malted beverages such as certain hard lemonades, malt-based coolers, and malt liquors), and intoxicating liquor (including wine, hard cider, and liquor). Information is presented in this paper on the taxes imposed on each of these products. In addition, a summary of the excise tax rates imposed on alcohol and tobacco products by the federal government and other states is included in the final sections of the paper. [The excise taxes charged on motor vehicle and alternate fuel, which are deposited in the transportation fund, are described in the Legislative Fiscal Bureau's informational paper entitled, "Motor Vehicle Fuel and Alternate Fuel Tax."]

Taxes on Alcohol and Tobacco In Wisconsin

Cigarette Tax

The state imposes an excise tax on the sale of cigarettes. The tax rate is generally \$2.52 per pack, or 126 mills per cigarette, although for larger cigarettes (weighing more than three pounds per thousand) the tax rate is 252 mills per cigarette. A mill equals one-tenth of one cent.

The tax is paid through the purchase of tax stamps from the Department of Revenue (DOR), generally by a manufacturer or distributor. The

tax stamp must be affixed to each pack of cigarettes prior to its first sale in the state. Manufacturers and distributors receive a 0.7% discount on stamp purchases (or tax payments) as compensation for their administrative costs.

Since the cigarette tax was first imposed in 1939, at a general tax rate of 2¢ per pack, the cigarette tax rate has been raised 17 times to its current rate of \$2.52 per pack. The current rate was established in 2009 Wisconsin Act 28, and became effective September 1, 2009. Changes in the cigarette tax rate are outlined in Table 1 below:

Table 1: Cigarette Tax Rates Per Pack

Effective Date	Tax Rate
September 20, 1939	\$0.02
July 21, 1949	0.03
July 1, 1955	0.04
July 1, 1957	0.05
September 1, 1961	0.06
August 15, 1963	0.08
August 1, 1965	0.10
September 1, 1969	0.14
November 5, 1971	0.16
August 1, 1981	0.20
May 1, 1982	0.25
September 1, 1987	0.30
May 1, 1992	0.38
September 1, 1995	0.44
November 1, 1997	0.59
October 1, 2001	0.77
January 1, 2008	1.77
September 1, 2009	2.52

Table 2 presents a summary of cigarette tax collections since 2001-02. Revenue "spikes" from the cigarette excise tax have been due to tax increases, rather than increased volume of sales. The 53.9% increase in revenues from the cigarette tax realized in state fiscal year 2007-08,

Table 2: Cigarette Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
2001-02	\$288.77	18.6%	2.88%
2002-03	293.70	1.7	2.88
2003-04	291.32	-0.8	2.71
2004-05	294.30	1.0	2.58
2005-06	301.49	2.4	2.51
2006-07	296.13	-1.8	2.35
2007-08	455.72	53.9	3.49
2008-09	551.34	21.0	4.55
2009-10	644.27	16.9	5.31
2010-11	604.83	-6.1	4.68
2011-12	587.75	-2.8	4.35

for example, followed a \$1.00 increase in the tax rate that took effect on January 1, 2008. In contrast, the number of packs of cigarettes for which tax stamps were purchased in that year dropped by over 9% from 2006-07. The same pattern holds for the revenue increases that were realized in fiscal years 2001-02, 2008-09, and 2009-10 -- while cigarette tax revenues increased, following a tax increase, taxable sales of cigarettes declined.

The largest annual decrease in cigarette tax revenue was 6.1% for 2010-11. Beginning July 5, 2010, smoking is prohibited in most indoor public places, businesses, places of work, and certain outdoor areas in this state, pursuant to 2009 Wisconsin Act 12. As a result, tax collections for 2010-11 reflect the first year in which the state smoking ban contributed to reduced cigarette consumption.

In years in which the smoking ban was not enacted and there was no tax increase, there have been either moderate increases or decreases in cigarette tax revenues. Based on data collected by the Alcohol and Tobacco Tax Trade Bureau, domestic cigarette consumption is estimated to have declined nationally by approximately 2.9%, annually, since 2000. Federal tax increases of 5¢ per pack on January 1, 2002, and 62¢ per pack on April 1, 2009, have also contributed to reduced

cigarette consumption in the state. (The last increase brought the federal cigarette excise tax to \$50.33 per thousand, or \$1.0066 per pack.)

1997 Act 27 reduced the discount on stamp purchases for manufacturers and distributors from 2% to 1.6%. The discount was further reduced by 2007 Act 20 from 1.6% to 0.7%. As mentioned, the discount is provided to manufacturers and distributors as compensation for their administrative costs associated with the tax. The decrease in the rate of the discount was enacted to keep the total discount at approximately the same per pack level as it was prior to these increases in the cigarette tax rate. No reduction to the discount rate was included with the 2009 Act 28 cigarette tax increase.

2005 Act 25 authorized direct marketing of cigarettes to consumers in this state if a direct marketer meets certain requirements. Under prior law, direct marketing of cigarettes to Wisconsin consumers was prohibited unless the seller had a valid municipal retail permit for the municipality into which each sale was made. Act 25 authorized direct marketing for a direct marketer that registers with DOR and certifies that the direct marketer will sell only stamped cigarettes. In addition, the direct marketer must verify consumer names, addresses, and ages, and comply with certain other administrative requirements, including certain provisions that also apply to licensed cigarette distributors. The provisions took effect July 27, 2005. As of December, 2012, no direct marketers have registered under these provisions.

Tobacco Products Tax

The state imposes an excise tax on the sale of all tobacco products except cigarettes. The tobacco products tax is paid by distributors at rates of 100% of the manufacturer's list price for moist snuff and 71% of the manufacturer's list price for all other tobacco products, with a maximum tax of 50¢ per cigar. The tax rates

were raised to their current levels on September 1, 2009, pursuant to 2009 Act 28. Act 28 also converted the tax on moist snuff from a weight-based tax to a price-based tax. The tax is paid on the basis of monthly returns filed with the Department of Revenue. Table 3 shows tobacco products tax collections since 2001-02.

The tax on tobacco products was established at 20% of the manufacturer's list price for all tobacco products in Chapter 20, Laws of 1981, effective October 1, 1981. Table 4 shows the historical increases to the tobacco products tax rates. Prior to 2007 Act 20, all tobacco products other than cigarettes were subject to the same tax rates. Act 20 created a separate tax rate for moist snuff and established a maximum tax per cigar. Between 2001-02 and 2011-12, collections ranged from \$13.9 million to \$65.5 million. Unlike other state excise and occupational taxes which are imposed as a fixed amount per unit of product, the tobacco products tax is levied as a percentage of price (except for sales of moist snuff from January 1, 2008, through August 31, 2009). Therefore, collections of the tobacco products tax increase over time as prices rise. The largest annual increases in revenues from the tax over this period, 22.7% in 2001-02, 69.8% in 2007-08, 42.0% in 2008-09, and 41.8% in 2009-10, reflect implementation of higher tax rates.

Table 3: Tobacco Products Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
2001-02	\$13.93	22.7%	0.14%
2002-03	15.51	11.3	0.15
2003-04	16.10	3.8	0.15
2004-05	15.84	-1.6	0.14
2005-06	16.42	3.7	0.14
2006-07	17.52	6.7	0.14
2007-08	29.75	69.8	0.23
2008-09	42.24	42.0	0.35
2009-10	59.89	41.8	0.49
2010-11	60.88	1.7	0.47
2011-12	65.52	7.6	0.48

Refunds to Native American Tribes

Federal law prohibits states from imposing a cigarette tax or a tobacco products tax on sales by Native Americans to Native Americans on reservations or trust land. To discourage purchases of non-taxed cigarette and tobacco products on reservations by non-Native Americans, state law permits the Department of Revenue to enter into agreements with Native American tribes to impose these excise taxes. The agreements permitted under state law are described below.

The tax on cigarettes was converted from an occupational tax to an excise tax in 1983. This change allowed the state to impose the tax on sales of cigarettes made by Native Americans to non-Native Americans on reservations. Current-

Table 4: Tobacco Products Tax Rates

Effective Date	Moist Snuff Tax Rate	Other Tobacco Products Tax Rate	Cigar Tax Rate
October 1, 1981	20% of the manuf. list price	20% of the manuf. list price	20% of the manuf. list price
October 1, 2001	25% of the manuf. list price	25% of the manuf. list price	25% of the manuf. list price
January 1, 2008	\$1.31 per ounce	50% of the manuf. list price	50% of the manuf. list price, but not more than 50¢ per cigar
September 1, 2009	100% of the manuf. list price	71% of the manuf. list price	71% of the manuf. list price but not more than 50¢ per cigar

ly, the state has agreements with all 11 Native American tribes in Wisconsin through which Native American retailers purchase and sell only stamped (taxed) cigarettes to non-Native American purchasers. The state then provides a refund to the tribes of 70% of the tax paid on sales to non-Native Americans and 100% of the tax paid on sales to eligible Native American tribal members. Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of that tribe. As noted, the refund provision was enacted to encourage Native American retailers to sell only stamped cigarettes. Previously, unstamped cigarettes were sold on reservations, which raised concern regarding competition and the administration and collection of taxes for sales to non-Native Americans. The refund provision was enacted as part of the 1983-85 biennial budget (1983 Act 27).

The tax on tobacco products was converted from an occupational tax to an excise tax under 1999 Act 9 (the 1999-01 biennial budget act). Prior to Act 9, it was common for distributors to sell untaxed tobacco products to Native American retailers and to claim exemptions from the tax for such sales when filing tax returns with DOR. Act 9 specified that all tobacco products were subject to the tax unless specifically exempted, and imposed penalties on distributors who failed to collect and remit the appropriate tax. These changes meant that tribal retailers would no longer be able to purchase untaxed tobacco products. However, Act 9 authorized the Department to enter into agreements with the tribes to refund 100% of tobacco products taxes paid on sales to eligible tribal members on reservations and 50% of such taxes paid on sales to non-tribal members. The Department has entered into such agreements with nine out of the 11 Wisconsin tribes. Although the refund rates for sales to non-tribal members differ, the provisions for tobacco products tax refunds are comparable to those for cigarette tax refunds to the tribes.

Table 5 shows cigarette and tobacco products refunds that have been paid to tribes since 2001-02. The largest annual increases in tribal refunds, 19.4% in 2001-02, 72.2% in 2007-08, 52.4% in 2008-09, and 37.5% in 2009-11, correspond to years in which cigarette and tobacco product taxes were increased. Growth rate volatility of between 10.4% and -11.7% during years in which tax increases did not occur was primarily caused by the timing of refund claims submitted by tribes near the end of the fiscal year. In 2011-12, \$37.8 million in refunds were paid to tribes in this state, with refunds from cigarettes accounting for 95% of total refunds paid to tribes.

Table 5: Cigarette and Tobacco Products Refunds Paid to Tribes (\$ in Millions)

Fiscal Year	Cigarette Refunds	Tobacco Products Refunds	Total Refunds	% Change From Prior Year
2001-02	\$11.51	\$0.23	\$11.74	19.4%
2002-03	11.61	0.16	11.77	0.3
2003-04	12.82	0.17	12.99	10.4
2004-05	11.26	0.21	11.47	-11.7
2005-06	12.37	0.26	12.63	10.1
2006-07	11.57	0.21	11.78	-6.7
2007-08	19.94	0.34	20.28	72.2
2008-09	30.15	0.75	30.90	52.4
2009-10	41.28	1.21	42.49	37.5
2010-11	38.89	1.10	39.99	-5.9
2011-12	36.04	1.76	37.80	-5.5

Liquor, Wine, and Cider Taxes

The state imposes occupational taxes on the sale of liquor, wine, and fermented cider. As shown in Table 6, the tax rates for these products are: (a) liquor -- 85.86¢ per liter; (b) wine containing up to 14% alcohol by volume -- 6.605¢ per liter; (c) wine containing more than 14% but not in excess of 21% alcohol by volume -- 11.89¢ per liter; and (d) cider containing between 0.5% and 7.0% alcohol -- 1.71¢ per liter. Table 6 summarizes the statutory rates per liter as well as the equivalent per gallon rates.

Table 6: Liquor, Wine and Cider Tax Rates

Beverage	Tax Rate Per Liter	Tax Rate Per Gallon
Liquor*	85.86¢	\$3.25
Wine		
Up to 14% Alcohol	6.605	0.25
14% to 21% Alcohol	11.89	0.45
Cider	1.71	0.06

*Excludes administrative fee of 11¢/gallon that is levied by the Department of Revenue.

In addition to the tax on liquor described above, an administrative fee of 11¢/gallon is also imposed. The administrative fee was increased from 3¢ per gallon under 2005 Act 25, effective August 15, 2005. The fee, which is paid by distributors along with liquor taxes, is deposited to a program revenue appropriation and used for computer, audit, and enforcement costs incurred by the Department in administering the state liquor tax and enforcing the three-tier system for alcohol beverage production, distribution, and sale.

Liquor, wine, and cider taxes are collected through monthly payments by distributors and out-of-state direct shippers, based on the actual tax liability for the previous month. The tax payments and a tax return are due on the 15th day of each month.

The occupational tax on liquor and wine has not been modified since Chapter 20, Laws of 1981, effective August 1, 1981. The tax rate on hard cider, defined as fermented apple juice that contains 0.5% to 7.0% alcohol by volume, has not been modified since it was established July 1, 1998, pursuant to 1997 Act 136. A summary of liquor and wine tax revenues since 2001-02 is presented in Table 7.

Beer Tax

An occupational tax is imposed by the state on the sale of beer and other fermented malt

Table 7: Liquor and Wine Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
2001-02	\$35.98	1.2%	0.36%
2002-03	36.04	0.2	0.35
2003-04	38.47	6.8	0.36
2004-05	39.53	2.8	0.35
2005-06	41.02	3.8	0.34
2006-07	42.67	4.0	0.34
2007-08	45.17	5.8	0.35
2008-09	44.13	-2.3	0.36
2009-10	44.18	0.1	0.36
2010-11	45.80	3.7	0.35
2011-12	47.04	2.7	0.35

beverages. The tax rate is \$2 per barrel of 31 gallons, or approximately 6.5¢ per gallon. A 50% tax credit on the first 50,000 barrels produced is available to brewers who produce less than 300,000 barrels per year. The tax is paid by brewers, bottlers, and wholesalers on a monthly basis. The tax on beer was established at its current \$2 per barrel level in Chapter 185, Laws of 1969. A summary of recent collection amounts is presented in Table 8.

Table 8: Beer Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
2001-02	\$9.60	2.5%	0.10%
2002-03	9.52	-0.8	0.09
2003-04	9.60	0.9	0.09
2004-05	9.77	1.8	0.09
2005-06	9.76	-0.1	0.08
2006-07	9.53	-2.4	0.08
2007-08	9.62	1.0	0.07
2008-09	9.91	3.0	0.08
2009-10	9.61	-3.1	0.08
2010-11	9.33	-2.9	0.07
2011-12	9.24	-0.9	0.07

Federal Taxes on Alcohol and Tobacco

The federal excise tax on cigarettes is currently \$1.0066 per pack. This rate took effect

on April 1, 2009. Previous per-pack federal excise tax rates, and the periods during which those rates were in effect, are shown in Table 9.

Table 9: Federal Cigarette Tax Rates Since 1940

Effective Date	Tax Rate
July 1, 1940	\$0.065
November 1, 1942	0.07
November 1, 1951	0.08
January 1, 1983	0.16
January 1, 1991	0.20
January 1, 1993	0.24
January 1, 2000	0.34
January 1, 2002	0.39
April 1, 2009	1.0066

The current federal taxes on tobacco products are as follows:

Snuff	\$1.51 per pound
Chewing Tobacco	50.33¢ per pound
Pipe Tobacco	\$2.8311 per pound
Roll-Your-Own Tobacco	\$24.78 per pound
Cigarette Papers	3.15¢ for 50 papers
Cigarette Tubes	6.30¢ for 50 tubes
Small Cigars	\$50.33 per 1,000
Large Cigars	52.75% of the manufacturer's or importer's sales price, but not more than 40.26¢ per cigar

These rates took effect April 1, 2009, and are higher than the previous tax rates.

The federal liquor tax is \$13.50 per proof gallon (one gallon of 100 proof liquor). For example, a gallon of 80 proof alcohol is taxed at \$10.80 (80% of \$13.50). The Wisconsin liquor tax, in contrast, is based on the volume of the beverage in liters and does not consider the alcohol content.

Federal law provides five separate rates for the taxation of wine, as outlined below. These taxes are based on wine gallons (128 fluid ounces) rather than proof gallons.

Less than 14% alcohol	\$1.07 per gallon
14% to 21% alcohol	1.57 per gallon
21% to 24% alcohol	3.15 per gallon
Artificially carbonated wine	3.30 per gallon
Champagne and other sparkling wines	3.40 per gallon

In addition, a separate rate of 22.6¢/gallon is imposed on hard cider from apples containing at least 0.5% and less than 7% alcohol. A credit of 90¢ per gallon of wine or 5.6¢ per gallon of hard cider may be available for the first 100,000 gallons sold by a small winery producing not more than 150,000 gallons per year, with decreasing credit rates for a winery producing up to 250,000 gallons per year. Champagne and other sparkling wines are excluded from this federal tax credit.

The federal beer tax is \$18 per barrel of 31 gallons (approximately 58¢ per gallon). A reduced rate of \$7 per barrel for the first 60,000 barrels of beer annually is provided for brewers who produce not more than two million barrels in a calendar year.

Taxes on Alcohol and Tobacco in Other States

Information on the excise taxes imposed by other states on cigarettes, tobacco products, liquor, and beer is summarized in the following tables. These tables reflect state tax law changes in other states as of December, 2012.

Table 10 identifies the cigarette tax rates in effect in other states and the District of Columbia. These rates apply to packages of 20 cigarettes. Some states impose a higher tax rate on cigarettes weighing more than three pounds per thousand. In such cases, the rates shown in Table 10 are for packages of cigarettes weighing not more than three pounds per thousand, which is the most common type of package sold.

Table 11 presents a summary of excise tax rates on tobacco products in other states, includ-

Table 10: Cigarette Tax Rates by State as of December, 2012

State	Tax Per Pack	State	Tax Per Pack	State	Tax Per Pack
New York	\$4.350	New Mexico	\$1.660	Mississippi	\$0.680
Rhode Island*	4.040	Delaware	1.600	Nebraska	0.640
Connecticut	3.400	Minnesota****	1.600	Tennessee	0.620
Hawaii	3.200	Pennsylvania	1.600	Kentucky	0.600
Washington	3.025	South Dakota	1.530	Wyoming	0.600
District of Columbia**	2.860	Texas	1.410	Idaho	0.570
New Jersey	2.700	Iowa	1.360	South Carolina	0.570
WISCONSIN	2.520	Florida	1.339	West Virginia	0.550
Massachusetts	2.510	Ohio	1.250	North Carolina	0.450
Vermont	2.240	Oregon	1.180	North Dakota	0.440
Alaska	2.000	Arkansas	1.150	Alabama	0.425
Arizona	2.000	Oklahoma	1.030	Georgia	0.370
Maine	2.000	Indiana	0.995	Louisiana	0.360
Maryland	2.000	Illinois	0.980	Virginia	0.300
Michigan	2.000	California	0.870	Missouri	0.170
Montana	1.700	Colorado	0.840		
Utah	1.700	Nevada	0.800		
New Hampshire***	1.680	Kansas	0.790		

* Rate includes \$0.54 prepaid sales tax for each pack of cigarettes.

** Rate includes \$0.36 surtax for each pack of cigarettes, which replaces the sales tax on cigarettes.

***Rate will increase to \$1.78 on July 1, 2013, if total cigarette and tobacco products tax collections from July 1, 2011, through June 30, 2013, do not exceed total cigarette and tobacco products tax collections from July 1, 2009, to June 30, 2011.

**** Rate includes \$0.37 per pack sales tax added to the wholesale price of a tax stamp, but which will be reduced to \$0.362 per pack (\$1.592 per pack combined rate) beginning January 1, 2013.

Sources: Commerce Clearing House, state tax publications, and state websites.

ing the District of Columbia. As noted, Wisconsin caps its tax on cigars at 50¢ each. Other states also have caps on their cigar taxes, but these are not shown in Table 11. Table 12 summarizes the excise tax rates imposed on liquor for the 33 states (plus the District of Columbia) that license the sale of liquor by private individuals. [Tax rates for the 17 states that maintain a complete or partial government monopoly on the sale of liquor are not provided. Such states generate revenue from a variety of taxes, fees, and net liquor profits.] Many states have separate rates for wine, champagne, and other alcoholic beverages. In some cases, the tax imposed on liquor depends on the percentage of alcohol content by volume. In addition, a number of states impose an additional tax based on: (a) a percentage of the wholesale price; (b) a percentage of the retail price for on-premise and/or off-premise consumption; and (c) a charge per bottle or per volume sold. In all cases where such variation exists,

Table 12 provides only the primary liquor tax rate.

Table 13 presents a summary of the excise tax rates levied in other states, including the District of Columbia, on the sale of beer. In addition to the rates shown, some states offer a reduced tax rate for beer sold by smaller breweries. In a number of states, the tax rate depends on the alcohol content of the beer. Also, some states impose an additional tax based on the wholesale or retail price or on a per unit basis, sometimes in connection with the location of the sale. Table 13 provides only the primary tax rate on beer, both by the gallon and by the barrel. In cases where the rate per barrel varies with the volume of beer included in the packaging sold (for example, a half barrel of beer has a different tax rate than a case of beer), the state's highest statutory tax rate is shown in Table 13.

Table 11: Tobacco Products Tax Rates by State as of December, 2012

States That Impose Tax as a Percentage of the Price

State	Tax	State	Tax
Alaska	75.0% of wholesale price	Nevada	30.0% of wholesale price
California	31.73% of wholesale value	New Hampshire	48.0% of wholesale price*
Colorado	40.0% of manuf. list price	New Mexico	25.0% of wholesale product value
Florida	85.0% of wholesale price	North Carolina	12.8% of cost price
Idaho	40.0% of wholesale price	Ohio	17.0% of wholesale price
Illinois	18.0% of wholesale price	South Carolina	5.0% of manuf. price
Kansas	10.0% of wholesale price	South Dakota	35.0% of wholesale price
Maryland	15.0% of wholesale price	Tennessee	6.6% of wholesale price
Michigan	32.0% of wholesale price	Virginia	10.0% of manuf. selling price
Minnesota	70.0% of wholesale price	West Virginia	7.0% of wholesale price
Mississippi	15.0% of manuf. list price		
Missouri	10.0% of manuf. invoice price		

* Rate will increase to 65.03% of wholesale price on July 1, 2013, if total cigarette and tobacco products tax collections from July 1, 2011, through June 30, 2013, do not exceed total cigarette and tobacco products tax collections from July 1, 2009, to June 30, 2011.

States That Impose Tax That Differs by Product

State/Product	Range of Tax Rates	State/Product	Range of Tax Rates
Alabama		Indiana	
Cigars	\$3.00/1,000 to \$40.50/1,000	Cigarette Tubes	1¢ per 50 tubes
Little Cigars	4¢ per 10	Cigarette Papers	0.5¢ per 100 papers
Smoking Tobacco	Up to 6¢ per ounce	Other Tobacco	24% of wholesale price
Chewing Tobacco	1.5¢ per ounce	Iowa	
Snuff	Up to 12¢ per ounce	Little Cigars	6.8¢ per cigar
Arizona		Snuff	\$1.19 per ounce
Cigars	21.8¢ for 3 to 21.8¢ each	All other Tobacco	50.0% of wholesale price
Little Cigars	44.10¢ per 20	Kentucky	
Plug Tobacco	5.50¢ per ounce	Snuff	19¢ per 1.5 ounces
Other Tobacco	22.3¢ per ounce	All Other Tobacco	15% of wholesale price
Arkansas		Louisiana	
Cigarette Papers	25¢ per 32 sheets	Cigars	8% to 20% of manuf. invoice price
Other Tobacco	68% of manuf. selling price	Smoking Tobacco	33% of invoice price
Connecticut		Smokeless Tobacco	20% of invoice price
Snuff	\$1.00 per ounce	Maine	
All Other Tobacco	50% of wholesale price	Smokeless Tobacco	\$2.02 per ounce
Delaware		Smoking Tobacco	20% of wholesale sales price
Moist Snuff	54¢ per ounce	Massachusetts	
All Other Tobacco	15% of wholesale price	Little Cigars	\$2.51 per pack of 20
District of Columbia		Smoking Tobacco	30% of wholesale price
Little Cigars	14.3¢ per cigar*	Smokeless Tobacco	90% of wholesale price
All Other Tobacco	\$0.70 per ounce	Montana	
Georgia		Moist Snuff	85¢ per ounce
Cigars	23% of wholesale price	All Other Tobacco	50% of wholesale price
Little Cigars	2.5 mills each	Nebraska	
Loose/Smokeless Tobacco	10% of wholesale price	Snuff	44¢ per ounce
Hawaii		Other Tobacco	20.0% of manuf. selling price
Little Cigars	16¢ per cigar	New Jersey	
Cigars	50% of wholesale price	Moist Snuff	75¢ per ounce
Other Tobacco	70% of wholesale price	All Other Tobacco	30.0% of wholesale price

* Rate includes \$0.018 surtax for each little cigar.

Table 11: Tobacco Products Tax Rates by State as of December, 2012 (continued)*States That Impose Tax That Differs by Product (continued)*

State/Product	Range of Tax Rates	State/Product	Range of Tax Rates
New York		Texas	
Snuff	\$2.00 per ounce	Little Cigars	1¢ per each 10 cigars
Little Cigars	\$4.35 per pack of 20	Cigars	\$7.50/1,000 to \$15/1,000
All Other Tobacco	75% of wholesale price	All Other Tobacco	\$1.19 per ounce*
North Dakota		Utah	
Cigars & Pipe Tobacco	28% of wholesale price	Moist Snuff	\$1.83 per ounce
Snuff	60¢ per ounce	All Other Tobacco	86% of manuf. sales price
Chewing Tobacco	16¢ per ounce	Vermont	
Oklahoma		Snuff and Other	
Cigars	3.6¢ to 12¢ per cigar	Smokeless Tobacco	\$1.87 per ounce
Smoking Tobacco	80% of factory list price	Little Cigars	11.2¢ per cigar
Snuff; Chewing and		Cigars	\$2 per cigar if >\$1.08, \$4 per cigar if >\$10
Smokeless Tobacco	60% of factory list price	All Other Tobacco	92% of wholesale price
Oregon		Washington	
Moist Snuff	\$1.78 per ounce	Moist Snuff	\$2.526 per unit of 1.2 ounces
All Other Tobacco	65.0% of wholesale price	Little Cigars	15.125¢ per cigar
Pennsylvania		All Other Tobacco	95% of taxable sales price
Little Cigars	8¢ per cigar	WISCONSIN	
Rhode Island		Moist Snuff	100% of manuf. sales price
Snuff	\$1.00 per ounce	All Other Tobacco	71% of manuf. sales price
Little Cigars	20.2¢ per cigar	Wyoming	
All Other Tobacco	80% of wholesale cost	Moist Snuff	60¢ per cigar
		All Other Tobacco	20.0% of wholesale price

*Rate will increase to \$1.22 per ounce on September 1, 2013.

Sources: Commerce Clearing House, state tax publications, and state websites.

Table 12: Liquor Tax Rates for License States as of December, 2012

State	Tax Per Gallon	State	Tax Per Gallon	State	Tax Per Gallon
Washington	\$14.28	Georgia	\$4.55	South Carolina	\$2.72
Alaska	12.80	Tennessee	4.40	Indiana	2.68
Illinois	8.55	Massachusetts	4.05	Arkansas	2.50
Florida	6.50	South Dakota	3.93	Kansas	2.50
New York	6.44	Delaware	3.75	Louisiana	2.50
New Mexico	6.06	Nebraska	3.75	North Dakota	2.50
Hawaii	5.98	Rhode Island	3.75	Texas	2.40
Oklahoma	5.56	Nevada	3.60	Colorado	2.28
New Jersey	5.50	California	3.30	Missouri	2.00
Connecticut	5.40	WISCONSIN	3.25	Kentucky	1.92
Minnesota	5.03	Arizona	3.00	District of Columbia	1.50
				Maryland	1.50

Sources: Commerce Clearing House, state tax publications, and state websites.

Table 13: Beer Tax Rates by State as of December, 2012

State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel	State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel
Alaska	107.0¢	\$33.17	Iowa	19.0¢	\$5.89
Alabama*	105.3	32.64	Kansas	18.0	5.58
Hawaii	93.0	28.83	Ohio	18.0	5.58
Georgia**	85.5	26.50	West Virginia	17.7	5.50
South Carolina	76.8	23.81	Arizona	16.0	4.96
Washington***	76.1	23.58	Nevada	16.0	4.96
North Carolina	61.7	19.13	North Dakota	16.0	4.96
Florida	48.0	14.88	Delaware	15.6	4.85
Mississippi	42.7	13.23	Idaho	15.0	4.65
Utah	41.3	12.80	Minnesota	14.8	4.60
New Mexico	41.0	12.71	New York	14.0	4.34
Oklahoma	40.3	12.50	Montana	13.9	4.30
Maine	35.0	10.85	Tennessee	13.8	4.29
Louisiana	32.3	10.00	New Jersey	12.0	3.72
Nebraska	31.0	9.61	Indiana	11.5	3.57
New Hampshire	30.0	9.30	Massachusetts	10.6	3.30
South Dakota	27.4	8.50	Rhode Island	9.7	3.00
Vermont	26.5	8.22	District of Columbia	9.0	2.79
Virginia	25.7	7.95	Maryland	9.0	2.79
Connecticut	24.0	7.44	Oregon	8.4	2.60
Arkansas	23.4	7.27	Kentucky	8.1	2.50
Illinois	23.1	7.16	Colorado	8.0	2.48
Michigan	20.3	6.30	Pennsylvania	8.0	2.48
California	20.0	6.20	WISCONSIN	6.5	2.00
Texas	19.4	6.00	Missouri	6.0	1.86
			Wyoming	1.9	0.59

* Includes uniform local tax rate of \$0.52 per gallon

**Includes a uniform local tax rate of \$16.50 per barrel, though additional local excise taxes may apply

*** Rate scheduled to decrease to \$8.08 per barrel beginning July 1, 2013

Sources: Commerce Clearing House, state tax publications, and state websites.