



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

### Introduction

A little cigar is a small cigar that is similar in size to a cigarette, typically has a filter, and is often sold in packs of 20 (like cigarettes).<sup>1</sup> Little cigars typically weigh less than 3 pounds per 1000.<sup>2</sup> They are often sold in packs of 20 (like cigarettes).

This fact sheet documents the variability in little 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 little 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 little 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, 49 states and the District of Columbia (hereafter referred to as “states”) levied a tax on little cigars. Notably, between January 1, 2005 and January 1, 2014, little cigars experienced a shift in tax structure in many states, from an ad valorem tax to a specific, weight or unit-based tax.

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

- As of January 1, 2014, the ad valorem tax rate on little cigars ranged from 6.6% (in Tennessee) to 75% (in Alaska).
- The mean ad valorem little cigars tax rate increased from 28.89% (in 37 states) in 2005 to 30.87% (in 28 states) in 2014.

#### *Specific Excise Taxes on Little Cigars*

- As of January 1, 2014, the specific excise tax rate on little cigars ranged from \$0.02 per pack of 20 (in Texas) to \$4.35 per pack of 20 (in New York).
- The mean specific little cigars tax rate increased from \$0.38 per pack of 20 in 2005 (in 8 states) to \$1.82 per pack of 20 in 2014 (in 22 states).
- As of January 1, 2014, 17 of the 22 states with a specific tax structure taxed little cigars at the same rate as cigarettes, bringing the retail price of little cigars much closer to that of cigarettes in those states.

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✓ Yes    Blank No

Cigarette (taxed as a cigarette); W/ OTP (With other tobacco products); Std. Al. (Stand-alone definition/taxation); CP (Cost Price); DP (Distributor's Price); MIP (Manufacturer's Invoice Price); MLP (Manufacturer's List 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)

	Little Cigars Taxed	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific						
AL	✓	Std. Al.	Std. Al.		\$0.08/20		\$0.08/20		\$0.08/20		\$0.08/20
AK	✓	W/ OTP	W/ OTP	75% WP		75% WP		75% WP		75% WP	
AZ	✓	W/ OTP	Std. Al.		\$0.262/20		\$0.441/20		\$0.441/20		\$0.441/20
AR	✓	W/ OTP	W/ OTP	32% MSP		32% MSP		68% MSP		68% MSP	
CA	✓	W/ OTP	Cigarette	46.76% WC			\$0.87/20		\$0.87/20		\$0.87/20
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	✓	W/ OTP	Cigarette						\$2.50/20		\$2.50/20
FL											
GA	✓	Std. Al.	Std. Al.		\$0.05/20		\$0.05/20		\$0.05/20		\$0.05/20
HI	✓	Std. Al.	Cigarette	40% WP		40% WP			\$3.00/20		\$3.20/20
ID	✓	W/ OTP	W/ OTP	40% WSP		40% WSP		40% WSP		40% WSP	
IL	✓	W/ OTP	Cigarette	18% WP		18% WP		18% WP			\$1.98/20
IN	✓	W/ OTP	W/ OTP	18% WP		24% WP		24% WP		24% WP	
IA	✓	W/ OTP	Cigarette		\$0.36/20		\$1.36/20		\$1.36/20		\$1.36/20
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.	8% MIP		8% MIP		8% MIP		8% 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	✓	Cigarette	Cigarette		\$1.51/20		\$1.51/20		\$2.51/20		\$3.51/20
MI	✓	W/ OTP	W/ OTP	32% WP		32% WP		32% WP		32% WP	
MN	✓	W/ OTP	Cigarette	35% WSP		70% WSP		70% WSP			\$2.83/20
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	
MT	✓	W/ OTP	Cigarette	25% WP			\$1.70/20		\$1.70/20		\$1.70/20

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	Little Cigars Taxed	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific
NE	✓	W/ OTP	W/ OTP	20% PP		20% PP		20% PP		20% PP	
NV	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
NH	✓	W/ OTP	Cigarette						\$1.78/20		\$1.78/20
NJ	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
NM	✓	Cigarette	Cigarette	25% PV			\$0.91/20		\$1.66/20		\$1.66/20
NY	✓	W/ OTP	Cigarette	37% WP		37% WP			\$4.35/20		\$4.35/20
NC	✓	W/ OTP	W/ OTP	2% CP		10% CP		12.8% CP		12.8% CP	
ND	✓	Std. Al.	Std. Al.	28% WPP		28% WPP		28% WPP		28% WPP	
OH	✓	W/ OTP	Std. Al.	17% WP		17% WP		17% WP		37% WP	
OK	✓	W/ OTP	Std. Al.		\$0.72/20		\$0.72/20		\$0.72/20		\$0.72/20
OR	✓	W/ OTP	W/ OTP	65% WSP		65% WSP		65% WSP		65% WSP	
PA	✓	Cigarette	Cigarette						\$1.60/20		\$1.60/20
RI	✓	Std. Al.	Cigarette	30% WC		40% WC			\$3.46/20		\$3.50/20
SC	✓	Cigarette	Cigarette		\$0.07/20		\$0.07/20		\$0.57/20		\$0.57/20
SD	✓	W/ OTP	W/ OTP	10% WPP		35% WPP		35% WPP		35% WPP	
TN	✓	W/ OTP	W/ OTP	6.6% WCP		6.6% WCP		6.6% WCP		6.6% WCP	
TX	✓	W/ OTP	Std. Al.		\$0.02/20		\$0.02/20		\$0.02/20		\$0.02/20
UT	✓	W/ OTP	Cigarette	35% MSP		35% MSP		86% MSP			\$1.70/20
VT	✓	Std. Al.	Cigarette	41% WP			\$1.79/20		\$2.24/20		\$2.62/20
VA	✓	W/ OTP	W/ OTP			10% MSP		10% MSP		10% MSP	
WA	✓	Std. Al.	Cigarette	129.42% TSP		75% TSP			\$3.025/20		\$3.025/20
WV	✓	W/ OTP	W/ OTP	7% WP		7% WP		7% WP		7% WP	
WI	✓	W/ OTP	W/ OTP	25% MLP		50% MLP		71% MLP		71% MLP	
WY	✓	Std. Al.	W/ OTP	20% WPP		20% WPP		20% WPP		20% WPP	