

Increase cigarette tax by 50 cents per pack

Description The current cigarette tax per pack is \$3.025. This proposal increases the combined state cigarette tax by 50 cents per pack.

Current Law On May 1, 2010, the combined state cigarette tax increased from \$2.025 per pack to \$3.025. This tax is deposited to the General Fund.

- The tax is imposed on the first sale, use, consumption, handling, possession or distribution of cigarettes within the state.
- Under cigarette tax compacts between the state and Indian tribes, the tribes do not collect state and local cigarette and sales taxes but impose tribal taxes in an equal, or agreed upon, amount.

Revenue Impact

General Fund Impacts (\$ millions):

# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
6,500	\$18.3	\$19.5	\$37.8	\$18.9	\$18.3	\$37.2

- *Estimates assume a July 1, 2015, effective date, representing 11 months of collections for FY 2016.*
- *Estimates reflect the November 2014 Economic & Revenue Forecast Council revenue forecast.*