

Cigarette and Other Tobacco Products

History of Major Changes

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- 1893** Legislature enacts annual tax of \$300 on wholesalers and \$100 on retailers.
- 1894** Annual tax is lowered to \$30 annually for wholesalers and \$15 for retailers.
- 1920** Annual tax is hiked to \$200 for wholesalers and \$50 for retailers.
- 1931** Legislature enacts modern cigarette tax, including use of stamps. Wholesale and retail license fees fall to \$100 and \$25, respectively.
- 1956** Rate increases by one cent.
- 1959** Rate increases by two cents
- 1969** Rate increases by five cents.
- 1971** Rate increases by five cents; cigarettes are exempted from sales tax.
- 1981** Rate is cut by one cent; cigarettes again subject to sales tax.
- 1983** Tax is modified to a per-cigarette rate of 0.7 cents.
- 1987** Rate increases by 0.2 cents per cigarette.
- 1991** All cigarette tax revenues are allocated to the General Revenue Fund when capital improvement bonds retired in 1992.
- 1992** Legislature enacts tax on other tobacco products at 17 % of the wholesale price; cigarette rate increases by 0.3 cents per cigarette.
- 2001** Minimum stamp discount rate is lowered from 3.6% to 1.8%.
- 2002** General Assembly hikes rate by 1.55 cents per cigarette effective July 1.
- 2005** House Bill 66 includes a rate increase of 3.5 cents per cigarette.
- 2009** House Bill 1 increases annual license fees for cigarette wholesalers and tobacco distributors to \$1,000 (from \$200 and \$100, respectively) and for retailers to \$125 per place of business (from \$30 for the first five places and \$25 for each additional place). 60% of this revenue is allocated for enforcement, 30% to the political subdivision where the business is located, and 10 % to the county.
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