

Tennessee

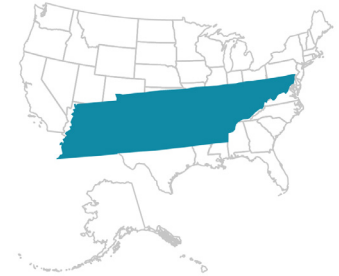


Table 1: Other Tobacco Product Taxation

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	✓	✓		With OTPs	With OTPs	↔
Cigarillos	✓	✓		With OTPs	With OTPs	↔
Little Cigars	✓	✓		With OTPs	With OTPs	↔
Pipe Tobacco	✓	✓		With OTPs	With OTPs	↔
Roll-Your-Own Tobacco	✓	✓		With OTPs	With OTPs	↔
Dry Snuff	✓	✓		With OTPs	With OTPs	↔
Moist Snuff	✓	✓		With OTPs	With OTPs	↔
Snus	✓	✓		With OTPs	With OTPs	↔
Smokeless Tobacco Generally	✓	✓		With OTPs	With OTPs	↔
Dissolvables	✓	✓		With OTPs	With OTPs	↔
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	\$0.20/20 §	\$0.62/20 §	\$0.62/20 §	\$0.62/20 §
Cigars	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Cigarillos	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Little Cigars	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Pipe Tobacco	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Roll-Your-Own Tobacco	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Dry Snuff	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Moist Snuff	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Snus	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Smokeless Tobacco Generally	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
Dissolvables	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ	6.6% WCP Δ
E-cigarettes	--	--	--	--

Δ Ad Valorem; § Specific; -- Not taxed; WCP=Wholesale Cost Price.

WCP

Wholesale Cost Price

"...the manufacturers' and/or processors' actual sales price of any tobacco product, delivered to Tennessee dealers, exclusive of any discounts, rebates, allowances, or the privilege tax imposed by this part ..." (TENN. CODE ANN. § 67-4-1001)