

Texas



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 | Stand-alone | ↔ |
| Cigarillos | ✓ | | ✓ | With OTPs | Stand-alone | ↔ |
| Little Cigars | ✓ | | ✓ | With OTPs | Stand-alone | ↔ |
| Pipe Tobacco | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Roll-Your-Own Tobacco | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Dry Snuff | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Moist Snuff | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Snus | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Smokeless Tobacco Generally | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| Dissolvables | ✓ | | ✓ | With OTPs | With OTPs | Tax Type Changed |
| 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 | \$0.41/20 § | \$1.41/20 § | \$1.41/20 § | \$1.41/20 § |
| Cigars | \$0.011 ea § | \$0.011 ea § | \$0.011 ea § | \$0.011 ea § |
| Cigarillos | \$0.008 ea § | \$0.008 ea § | \$0.008 ea § | \$0.008 ea § |
| Little Cigars | \$0.02/20 § | \$0.02/20 § | \$0.02/20 § | \$0.02/20 § |
| Pipe Tobacco | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Roll-Your-Own Tobacco | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Dry Snuff | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Moist Snuff | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Snus | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Smokeless Tobacco Generally | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| Dissolvables | 35.21% MLP Δ | 40% MLP Δ | \$1.13/oz § | \$1.22/oz § |
| E-cigarettes | -- | -- | -- | -- |

Δ Ad Valorem; § Specific; -- Not taxed; MLP=Manufacturer's List Price; ea=each; oz=ounce.

MLP

Manufacturer's List Price

"(b) The tax rate for tobacco products other than cigars is 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal." (TEX. TAX CODE § 155.0211 (2005, 2008 definitions ONLY))

*Underlined language indicates the unit of analysis