



State Cigarillo Taxation Laws, Selected Years 2005-2014

Introduction

A cigarillo is a short (usually 3 to 4 inch) and narrow cigar that usually contains ~3 grams of tobacco and is typically unfiltered.¹ Cigarillos typically weigh more than 3 pounds per 1000 and are classified as “large” cigars by the federal tax code.² They sometimes contain lower-quality tobacco, and are therefore sold at lower prices than cigars.

This fact sheet documents the variability in cigarillo taxation across the 50 states and the District of Columbia, as of January 1 for selected years between 2005 and 2014. Data on state cigarillo 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 cigarillo tax rates from January 1, 2005 through January 1, 2014 in all 50 states and Washington, D.C. is available through the [Tobacconomics](#) website.

¹Office 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. Updated 2015. Accessed August 15, 2015.

²Legacyforhealth.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. Updated 2015. Accessed August 15, 2015.

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Key Findings

As of January 1, 2014, cigarillos were taxed in 48 states. The majority of these states taxed cigarillos on an ad valorem basis (44 states); the remaining 4 states levied a specific tax on cigarillos.

Ad Valorem Excise Taxes on Cigarillos

- As of January 1, 2014, the ad valorem tax rate on cigarillos ranged from 5% of manufacturer’s price (in South Carolina) to 95% of the taxable sales price (in Washington) and 95% of the wholesale sales price (in Minnesota).
- The mean ad valorem cigarillo tax rate increased from 28.31% (in 41 states) in 2005 to 39.85% (in 44 states) in 2014.

Specific Excise Taxes on Cigarillos

- As of January 1, 2014, the specific tax rate on cigarillos ranged from \$0.003 each (in Alabama) to \$0.10 each (in Oklahoma).
- The mean specific cigarillo tax rate increased from \$0.04 each in 2005 (in 4 states) to \$0.05 each in 2014 (in 4 states).

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✓ Yes *Blank* No

W/ OTP (With other tobacco products); Std. Al. (Stand-alone definition/taxation); CP (Cost Price); DP (Distributor's Price); ea (each); MIP (Manufacturer's Invoice Price); MLP (Manufacturer's List Price); MP (Manufacturer's Price); MSP (Manufacturer's Sales Price); PV (Product Value); PP (Purchase Price); TSP (Taxable Sales Price); WC (Wholesale Cost); WCP (Wholesale Cost Price); WP (Wholesale Price); WPP (Wholesale Purchase Price); WSP (Wholesale Sales Price)

	Taxed (Y/N) (2014)	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific
AL	✓	Std. Al.	Std. Al.		\$0.003 ea		\$0.003 ea		\$0.003 ea		\$0.003 ea
AK	✓	W/ OTP	W/ OTP	75% WP		75% WP		75% WP		75% WP	
AZ	✓	W/ OTP	Std. Al.		\$0.05 ea		\$0.072 ea		\$0.072 ea		\$0.072 ea
AR	✓	W/ OTP	W/ OTP	32% MSP		32% MSP		68% MSP		68% MSP	
CA	✓	W/ OTP	W/ OTP	46.76% WC		46.76% WC		33.02% WC		29.82% WC	
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											
FL											
GA	✓	W/ OTP	Std. Al.	23% WCP		23% WCP		23% WCP		23% WCP	
HI	✓	Std. Al.	Std. Al.	40% WP		40% WP		50% WP		50% WP	
ID	✓	W/ OTP	W/ OTP	40% WSP		40% WSP		40% WSP		40% WSP	
IL	✓	W/ OTP	W/ OTP	18% WP		18% WP		18% WP		36% WP	
IN	✓	W/ OTP	W/ OTP	18% WP		24% WP		24% WP		24% WP	
IA	✓	W/ OTP	W/ OTP	22% WSP		50% WSP		50% WSP		50% WSP	
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.	20% MIP		20% MIP		20% MIP		20% 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	✓	Std. Al.	W/ OTP	30% WP		30% WP		30% WP		40% WP	
MI	✓	W/ OTP	W/ OTP	32% WP		32% WP		32% WP		32% WP	
MN	✓	W/ OTP	W/ OTP	35% WSP		70% WSP		70% WSP		95% WSP	
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	

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✓ Yes Blank No

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	Taxed (Y/N) (2014)	How Defined (2014)	How Taxed (2014)	2005		2008		2011		2014	
				Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific	Ad Valorem	Specific
MT	✓	W/ OTP	W/ OTP	25% WP		50% WP		50% WP		50% WP	
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	W/ OTP					65.03% WSP		65.03% WSP	
NJ	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
NM	✓	W/ OTP	W/ OTP	25% PV		25% PV		25% PV		25% PV	
NY	✓	W/ OTP	W/ OTP	37% WP		37% WP		75% WP		75% WP	
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	W/ OTP	17% WP		17% WP		17% WP		17% WP	
OK	✓	W/ OTP	Std. Al.		\$0.10 ea		\$0.10 ea		\$0.10 ea		\$0.10 ea
OR	✓	W/ OTP	W/ OTP	65% WSP		65% WSP		65% WSP		65% WSP	
PA											
RI	✓	Std. Al.	W/ OTP	30% WC		40% WC		80% WC		80% WC	
SC	✓	W/ OTP	W/ OTP	5% MP		5% MP		5% MP		5% MP	
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.		\$0.008 ea		\$0.008 ea		\$0.008 ea		\$0.008 ea
UT	✓	W/ OTP	W/ OTP	35% MSP		35% MSP		86% MSP		86% MSP	
VT	✓	W/ OTP	W/ OTP	41% WP		41% WP		92% WP		92% WP	
VA	✓	W/ OTP	W/ OTP			10% MSP		10% MSP		10% MSP	
WA	✓	W/ OTP	W/ OTP	129.42% TSP		75% TSP		95% TSP		95% TSP	
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	