



State Dissolvable Tobacco Product Taxation Laws, Selected Years 2005-2014

Introduction

Dissolvable tobacco products are non-combustible, smokeless products that contain tobacco and are ingested through the mouth, often by placing the product on the tongue until it “dissolves.” Dissolvable tobacco products are often sold in the form of lozenges, strips, sticks, and orbs.

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

Suggested Citation: Camille Gourdet, Jamie F. Chriqui, Julien Leider, and Frank J. Chaloupka. *State Dissolvable Tobacco Product Taxation Laws, Selected Years 2005-2014—Fact Sheet*. Chicago, IL: Tobacco Economics Program, Institute for Health Research and Policy, School of Public Health, University of Illinois at Chicago. 2015. Available: www.tobaeconomics.org

Funding for this study was provided under the National Cancer Institute’s State and Community Tobacco Control initiative (grant number U01CA154248).

Photo Credits: www.countertobacco.org; Mark Mathosian via www.Flickr.com; Darren & Brad via www.Flickr.com

Key Findings

As of January 1, 2014, dissolvable tobacco products were taxed in only 25 states. The majority of the states taxed dissolvable tobacco products on an ad valorem basis (22 states); the remaining 3 states levied a specific excise tax on dissolvable tobacco products.

Ad Valorem Excise Taxes on Dissolvable Tobacco Products

- As of January 1, 2014, the ad valorem tax rate on dissolvable tobacco products ranged from 6.6% of the wholesale cost price (in Tennessee) to 95% of the taxable sales price (in Washington State) and 95% of the wholesale sales price (in Minnesota).
- The mean ad valorem dissolvable tobacco product tax rate increased from 29.29% in 2005 (in 20 states) to 45.92% in 2014 (in 22 states).

Specific Excise Taxes on Dissolvable Tobacco Products

- As of January 1, 2014, three states levied a specific excise tax on dissolvable tobacco products: Oregon (\$1.78/ounce), Texas (\$1.22 per ounce), and Vermont (\$1.87 per ounce).
- While no states applied a specific tax to dissolvables in 2005, 3 states taxed dissolvables at the mean rate of \$1.62 per ounce in 2014.

State Dissolvable Taxation Laws, Selected Years 2005-2014

✓ Yes Blank No

W/ OTP (With other tobacco products); Std. Al. (Stand-alone definition/taxation); Mst. Sn. (Moist Snuff); CP (Cost Price); DP (Distributor's Price); FLP (Factory List Price); MIP (Manufacturer's Invoice Price); MLP (Manufacturer's List Price); MSP (Manufacturer's Sales Price); oz (ounce); PV (Product Value); TSP (Taxable Sales Price); WC (Wholesale Cost); WCP (Wholesale Cost Price); WSP (Wholesale Sales Price); WP (Wholesale Price); WPP (Wholesale Purchase 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											
AK	✓	W/ OTP	W/ OTP	75% WP		75% WP		75% WP		75% WP	
AZ											
AR	✓	W/ OTP	W/ OTP	32% MSP		32% MSP		68% MSP		68% MSP	
CA	✓	W/ OTP	W/ OTP	48.89% WC		45.13% WC		33.02% WC		29.82% WC	
CO											
CT											
DE	✓	W/ OTP	W/ OTP	15% WP		15% WP		15% WP		15% WP	
DC											
FL											
GA											
HI	✓	W/ OTP	W/ OTP	40% WP		40% WP		70% WP		70% WP	
ID	✓	W/ OTP	W/ OTP	40% WSP		40% WSP		40% WSP		40% WSP	
IL											
IN											
IA											
KS											
KY	✓	W/ OTP	W/ OTP							15% DP	
LA	✓	Smokeless	Smokeless	20% MIP		20% MIP		20% MIP		20% MIP	
ME											
MD											
MA											
MI											
MN	✓	W/ OTP	W/ OTP					70% WSP		95% WSP	
MS											
MO											
MT	✓	W/ OTP	W/ OTP	25% WP		50% WP		50% WP		50% WP	

State Dissolvable Taxation Laws, Selected Years 2005-2014

✓ Yes Blank No

W/ OTP (With other tobacco products); Std. Al. (Stand-alone definition/taxation); Mst. Sn. (Moist Snuff); CP (Cost Price); DP (Distributor's Price); FLP (Factory List Price); MIP (Manufacturer's Invoice Price); MLP (Manufacturer's List Price); MSP (Manufacturer's Sales Price); oz (ounce); PV (Product Value); TSP (Taxable Sales Price); WC (Wholesale Cost); WCP (Wholesale Cost Price); WSP (Wholesale Sales Price); WP (Wholesale Price); WPP (Wholesale Purchase 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
NE											
NV	✓	W/ OTP	W/ OTP	30% WP		30% WP		30% WP		30% WP	
NH	✓	W/ OTP	W/ OTP	19% WSP		19% WSP		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											
NC	✓	W/ OTP	W/ OTP	2% CP		10% CP		12.8% CP		12.8% CP	
ND											
OH											
OK	✓	W/ OTP	Smokeless	60% FLP		60% FLP		60% FLP		60% FLP	
OR	✓	W/ OTP	Mst. Sn.						\$1.78/oz		\$1.78/oz
PA											
RI	✓	Std. Al.	W/ OTP	30% WC		40% WC		80% WC		80% WC	
SC											
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	W/ OTP	35.21% MLP		40% MLP			\$1.13/oz		\$1.22/oz
UT	✓	W/ OTP	W/ OTP	35% MSP		35% MSP		86% MSP		86% MSP	
VT	✓	W/ OTP	Std. Al.						\$1.87/oz		\$1.87/oz
VA											
WA	✓	W/ OTP	W/ OTP					95% TSP		95% TSP	
WV	✓	W/ OTP	W/ OTP	7% WP		7% WP		7% WP		7% WP	
WI											
WY											