

WISCONSIN'S GENERAL FUND EXCISE TAXES

2017

**Wisconsin Department of Revenue
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A. INTRODUCTION

Wisconsin imposes excise taxes on cigarettes, tobacco products, liquor, wine, and beer. While state law imposes excise taxes on the producers and distributors of these products, businesses generally pass the tax on to customers through higher prices.

The state deposits revenues from these five excise taxes into the state's general fund. The state collects and deposits additional excise taxes into segregated funds. For example, the motor vehicle fuel and alternate fuel taxes partially fund the transportation fund. This paper only covers the general fund excise taxes.

Table 1
Wisconsin General Fund Excise Taxes FY17

Tax Type	Tax Rates (1) as of January 1, 2017	FY17 Excise Tax Revenues	
		(\$ millions)	%
Cigarettes	\$2.52 Per 20-Pack	564.20	80.1%
Tobacco Products (2)	71% of manufacturer's established list price to distributors	7.51	1.1%
Moist Snuff (2)	100% of manufacturer's established list price to distributors	57.12	8.0%
Cigars (2)	Lesser of 71% of manufacturer's established list price to distributors or \$0.50 per cigar	15.42	2.2%
Beer	\$2.00 per 31-gallon barrel (\$0.065/gallon)	9.13	1.3%
Distilled Spirits	\$0.8586 per liter (\$3.25/gallon)	48.06	6.8%
Wine and Other Cider	\$0.171/liter (\$0.065/gallon)	3.94	0.6%
- up to 14% alcohol	\$0.06605 per liter (\$0.25/gallon)		
- 14% to 21% alcohol	\$0.1189 per liter (\$0.45/gallon)		
- over 21% alcohol	\$0.8586 per liter (\$3.25/gallon)		
Total Excise Tax Revenues (3)		705.68	100.0%

(1) Cigarette and tobacco products tax rates were increased on September 1, 2009.

(2) Tobacco products, moist snuff, and cigars tax collections distribution from an internal DOR report.

(3) Numbers may not add to total revenues due to rounding

In FY17, excise taxes generated \$705.7 million or 4.6% of the entire \$15,321.5 billion of general purpose revenue (GPR) taxes collected for the fiscal year (Tables 1 and 2). The cigarette tax, totaling \$564.2 million, provided 80.9% of general fund excise tax collections (see Chart 1). Individual income, sales, and corporate income tax collections exceeded general fund excise tax collections. Wisconsin collected one other general fund excise tax during its history, a tax on oleomargarine, which was in place from 1931 through 1973.

Chart 1

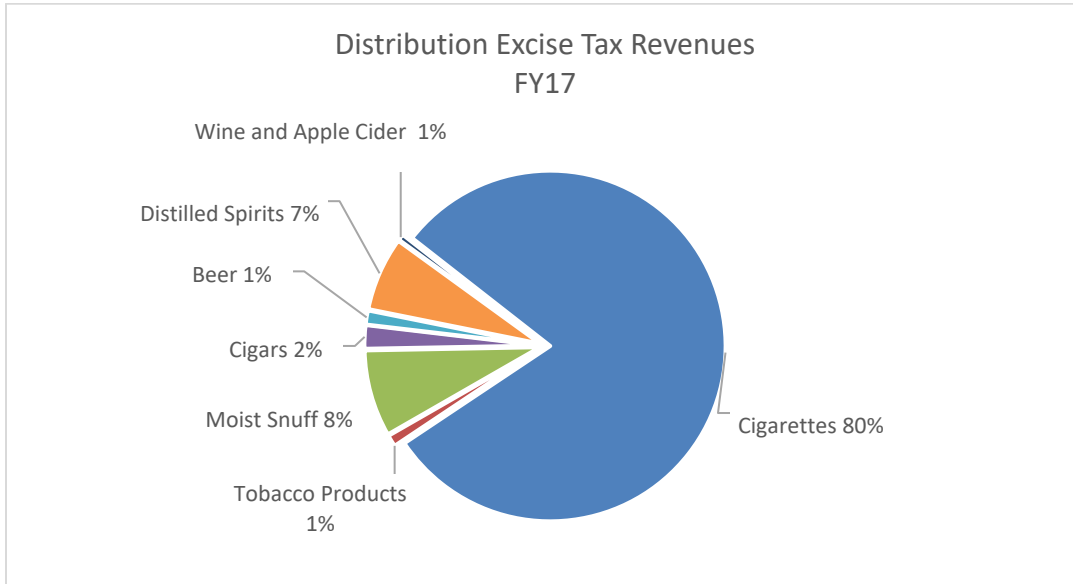


Table 2, below, shows annual excise tax collections for cigarettes, total non-cigarette tobacco products (including cigars, moist snuff, and other products), distilled spirits, wine and cider, and beer since FY00, and the cumulative percent change between FY00 and FY17.

Table 2
Excise Tax Collections And Percent Change FY00 - FY17
(\$ Million)

FY	Cigarettes	Tobacco Products	Distilled Spirits	Wine and Cider	Beer	Total Excise Tax	Total Excise Tax as % GPR
FY00	247.6	10.3	32.3	2.2	9.4	301.9	2.76%
FY01	243.5	11.4	33.1	2.4	9.4	299.8	2.98%
FY02	288.8	13.9	33.4	2.5	9.6	348.3	3.48%
FY03	293.7	15.5	33.4	2.7	9.5	354.8	3.48%
FY04	291.3	16.1	35.7	3.4	9.6	356.1	3.32%
FY05	294.3	15.8	36.7	2.9	9.8	359.4	3.15%
FY06	301.5	16.4	38.3	2.7	9.8	368.7	3.06%
FY07	296.1	17.5	39.2	3.5	9.5	365.8	2.90%
FY08	455.7	29.7	42.2	3.0	9.6	540.3	4.14%
FY09	551.3	42.2	41.0	3.2	9.9	647.6	5.35%
FY10	644.3	59.9	41.0	3.2	9.6	757.9	6.25%
FY11	604.6	60.9	42.7	3.0	9.3	720.6	5.58%
FY12	587.8	65.5	43.5	3.5	9.2	709.5	5.25%
FY13	569.2	63.0	44.6	3.6	9.0	689.5	4.96%
FY14	573.0	67.7	45.3	3.6	9.0	698.6	5.07%
FY15	569.5	71.9	45.0	3.8	8.8	699.1	4.87%
FY16	573.4	76.1	46.0	4.0	9.0	708.5	4.69%
FY17	564.2	80.3	48.1	4.0	9.1	705.7	4.50%
Cumulative % Change	127.87%	679.61%	48.92%	81.82%	-3.19%	133.75%	NA

The highest growth in excise tax revenue between FY00 and FY17 was in tobacco products which increased by 679.61% followed by cigarette tax revenues which increased by 127.87%. Tax rate increases during this period, discussed in the following sections, contributed heavily to the growth rates discussed above. Cigarettes, with tax collections of \$564.2 million, continue to be the largest excise tax generator.

As Table 2 shows, between FY00 and FY07, the contribution of excise taxes to total GPR tax collections was generally around 3 percent. Given tax rate increases in cigarette and tobacco products, however, the contribution of excise taxes to total general fund revenues increased to 5.35% in FY09 and to 6.25% in FY10 but decreased to 4.50% by FY17 as other general fund revenues grew after the 2008/09 recession.

B. CIGARETTE TAX

Wisconsin first imposed the cigarette tax in 1939, as an emergency tax at a rate of \$0.02 per pack. The tax increased to \$0.03 per pack in 1949 and was made permanent that year. Table 3 shows historical cigarette tax rates back to 1939. Wisconsin's cigarette tax is technically imposed on a per cigarette basis – currently at 126 mills (i.e. 126 tenths of a cent) per cigarette for cigarettes weighing less than 3 pounds per thousand. Given that the typical pack has 20 cigarettes, the current rate per pack is \$2.52. A higher rate of 252 mills per cigarette is imposed on cigarettes weighing more than 3 pounds per thousand.

2007 Wisconsin Act 20 increased the cigarette tax by \$1.00 per pack, from \$0.77 to \$1.77, effective January 1, 2008 and 2009 Wisconsin Act 28 provided for another increase of 75 cents per pack, from \$1.77 to \$2.52, effective September 1, 2009.

Table 3
Cigarette Tax Rates

Effective Date of Tax Rate	Rate Per Pack (Cents)
September 15, 1939	2
July 20, 1949	3
July 1, 1955	4
July 1, 1957	5
September 1, 1961	6
August 15, 1963	8
August 1, 1965	10
September 1, 1969	14
November 5, 1971	16
August 1, 1981	20
May 1, 1982	25
September 1, 1987	30
May 1, 1992	38
September 1, 1995	44
November 1, 1997	59
October 10, 2001	77
January 1, 2008	177
September 1, 2009	252

At the federal level, as a funding mechanism for the State Children's Health Insurance Program (SCHIP), the federal excise tax on cigarettes was increased from 39 cents per pack to \$1.01 (\$1.0066) per pack, effective April 1, 2009 (see Table 1, Attachment 1).

The cigarette tax in Wisconsin was an occupational tax until 1983 when it was converted to an excise tax so that it could be imposed on cigarette sales by Native Americans. Although cigarette sales by Native Americans are taxable, the state refunds 70% of the tax back to the tribes for sales made to non-Native Americans and to tribal members that reside off the reservation or trust lands. In addition, the state refunds 100% of the tax back to the tribes for sales made to tribal members that reside on reservations or trust lands.

The state deposits cigarette tax collections into the general fund. However, on two occasions, revenues from cigarette tax increases have been earmarked for specific programs. The additional revenue from the 1955 tax increase funded a low-cost housing program for veterans and the additional revenue from the 1961 tax increase paid for improvements to the state park system.

C. TOBACCO PRODUCTS TAX

The tobacco products tax is imposed on the sale of cigars, chewing tobacco, smoking tobacco, and snuff. The tax was first imposed on October 1, 1981, at the rate of 20%. On December 1, 1999, the tobacco products tax was changed from an occupational tax to an excise tax (1999 Wis. Act 9) and on October 1, 2001, the tax rate was raised to 25%. Wisconsin's tobacco product tax was significantly modified twice in recent years, as shown in Table 4 below.

Table 4
Recent Changes - Wisconsin Cigarette and Tobacco Tax Rates

Tax Type	Prior to January 1, 2008	January 1, 2008 to August 31, 2009	September 1, 2009 and thereafter
Tobacco Products	25% of manufacturer's established list price to distributors	50% of manufacturer's established list price to distributors	71% of manufacturer's established list price to distributors
Moist Snuff	25% of manufacturer's established list price to distributors	\$1.31 per ounce	100% of manufacturer's established list price to distributors
Cigars	25% of manufacturer's established list price to distributors	Lesser of 50% of manufacturer's established list price to distributors or \$0.50 per cigar	Lesser of 71% of manufacturer's established list price to distributors or \$0.50 per cigar

Beginning January 1, 2008, the taxation of moist snuff was converted from a price-based to a weight-based tax and the tax was set at \$1.31 per ounce. Beginning September 1, 2009, however, 2009 Wisconsin Act 28 (the 2009-11 budget bill) reversed the weight based tax, and once again taxed moist snuff on a price basis equal to 100% of manufacturer's established list price to distributors.

At the federal level, as a funding mechanism for the State Children's Health Insurance Program (SCHIP), several changes were made in the taxation of various types of tobacco products. These are listed in Table 2 of Attachment 1.

D. TAXES ON DISTILLED LIQUOR AND WINE

Wisconsin imposes an occupational tax on the sale of both distilled spirits [secs. 139.03(2m) and 139.06(1) (a), Wis. Stats.] and wine [sec. 139.03(2n), Wis. Stats.].

The current tax rates are: \$0.06605 per liter (\$0.25 per gallon) for wine containing up to 14% alcohol, \$0.1189 per liter (\$0.45 per gallon) for wine containing 14% to 21% alcohol; and \$0.8586 per liter (\$3.25 per gallon) for distilled spirits and wine containing over 21% alcohol. The tax was converted from rates per gallon to rates per liter in 1985.

Table 5 shows the rate history for the wine tax, while Table 6 shows the rate history for the liquor tax.

Table 5
Wine Tax Rates

Fiscal Year of Rate Change	Alcohol Content	Tax Rate \$/gallon
1934	Up to 21%	\$0.25
	Over 21%	1.00
1936	Up to 14%	0.05
	14% to 21%	0.10
	Over 21%	1.00
1948	Up to 14%	0.10
	14% to 21%	0.20
	Over 21 %	2.00
1960	Up to 14%	0.15
	14% to 21%	0.30
	Over 21%	2.00
1964	Up to 14%	0.17
	14% to 21%	0.34
	Over 21%	2.25
1972	Up to 14%	0.19
	14% to 21%	0.39
	Over 21 %	2.60
1982	Up to 14%	0.25
	14% to 21%	0.45
	Over 21%	3.25
1986 (1)	Up to 14%	0.25
	14% to 21%	0.45
	Over 21 %	\$3.25

Notes: (1) Up to 14% - \$0.066 per liter, 14% to 21% - \$0.119 per liter and Over 21 % - \$0.859 per liter

Wisconsin initially established its wine and liquor taxes following the end of Prohibition. The initial rates were \$0.25 per gallon for wine containing up to 21% alcohol, \$1.00 per gallon for wine containing over 21% alcohol, and \$1.00 per gallon for distilled spirits.

Table 6
Distilled Spirits Tax Rates

Fiscal Year of Rate Change	Tax Rate
1934	\$1.00 per gallon
1948	\$2.00 per gallon
1964	\$2.25 per gallon
1972	\$2.60 per gallon
1982	\$3.25 per gallon
1986	\$0.8586 per liter or \$3.25 per gallon

Liquor distributors remit the tax on a monthly basis, and the tax is based upon the distributor's tax liability for the previous month. In addition to the liquor tax, distributors pay DOR an administrative fee of \$0.11 per gallon on liquor containing 0.5% or more alcohol by volume.

E. TAX ON FERMENTED MALT BEVERAGES

Wisconsin imposes an occupational tax on the sale of fermented malt beverages (beer) at the rate of \$2.00 per 31-gallon barrel [sec. 139.02(1), Wis. Stats.]. The tax was first imposed in 1933, at the end of Prohibition, at the rate of \$1.00 per barrel. It was intended to be temporary, but was made permanent in 1943. The only increase in the tax rate occurred on November 1, 1969 (by Chapter 185, Laws of 1969), when it was raised to its current rate of \$2.00 per 31-gallon barrel (equivalent to about \$0.06 per gallon).

F. COMPARISONS WITH OTHER STATES

1. Cigarette Taxes

All 50 states and the District of Columbia impose cigarette taxes. In addition, eight states – Alabama, Alaska, Illinois, Missouri, New York, Ohio, Tennessee and Virginia – permit at least one county or city to levy cigarette taxes.

Table 7 shows the state tax rates for a pack of 20 cigarettes as of November 1, 2017. State cigarette tax rates range from a high of \$4.35 in New York to a low of \$0.17 in Missouri. As of November 1, 2017, Wisconsin's \$2.52 rate was the 11th highest among the 50 states. On that date, Wisconsin's tax rate was higher than those in Michigan (\$2.00), Iowa (\$1.36), and Illinois (\$1.98). The cigarette tax rate in Minnesota is \$3.04 and is the highest cigarette tax rate in the region.

As of November 2017, the average state cigarette tax rate is \$1.67 per pack (Table 1, Attachment 1) and the highest state-only cigarette tax rate is New York at \$4.35 per pack. Presently, 35 states have cigarette tax rates of \$1.00 per pack or higher; 17 states have cigarette tax rates of \$2.00 per pack or higher; eight states have cigarette tax rates of \$3.00 per pack or higher; and only New York, as mentioned above, has a cigarette tax rate higher than \$4.00 per pack. Most states prohibit local governments from imposing cigarette taxes. However, there are some exceptions. According to the Campaign for Tobacco-Free Kids, more than 450 local jurisdictions nationwide have their own cigarette tax.

State Tax Rates on Cigarettes as of November 1, 2017
(¢ per pack)

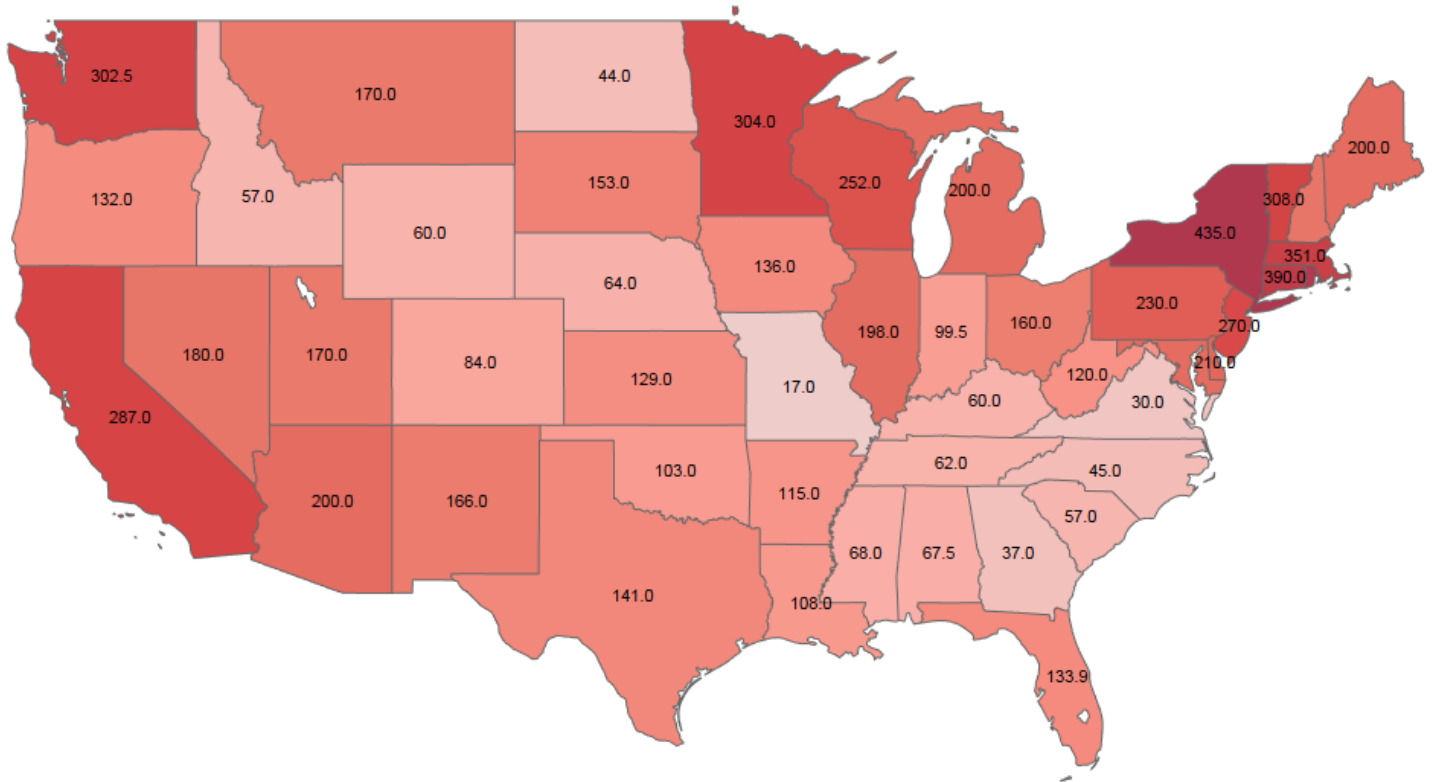


Table 7
State Excise Tax Rates on Cigarettes
(November 1, 2017)
(¢ per pack)

STATE	TAX RATE	RANK	STATE	TAX RATE	RANK	STATE	TAX RATE	RANK
Alabama (a)	67.5	38	Louisiana	108	34	Ohio	160	25
Alaska	200	14	Maine	200	14	Oklahoma	103	35
Arizona	200	14	Maryland	200	14	Oregon	132	30
Arkansas	115	33	Massachusetts	351	4	Pennsylvania	230	12
California (b)	287	9	Michigan	200	12	Rhode Island (b)	425	2
Colorado	84	37	Minnesota (b) (e)	304	7	South Carolina	57	44
Connecticut	390	3	Mississippi	68	38	South Dakota	153	26
Delaware (b)	210	13	Missouri (a)	17	50	Tennessee (a) (d)	62	41
Florida (c)	133.9	29	Montana	170	22	Texas	141	27
Georgia	37	48	Nebraska	64	40	Utah	170	22
Hawaii	320	5	Nevada	180	20	Vermont	308	6
Idaho	57	44	New Hampshire	178	21	Virginia (a)	30	49
Illinois (a)	198	19	New Jersey	270	10	Washington	302.5	8
Indiana	99.5	36	New Mexico	166	24	West Virginia	120	32
Iowa	136	28	New York (a)	435	1	Wisconsin	252	11
Kansas	129	31	North Carolina	45	46	Wyoming	60	42
Kentucky	60	42	North Dakota	44	47	U. S. Median	156.5	

Source: Compiled by FTA from state sources.

(a)Counties and cities may impose an additional tax on a pack of cigarettes: in Alabama, 1¢ to 25¢; Illinois, 10¢ to \$4.18; Missouri, 4¢ to 7¢; New York City, \$1.50; Tennessee, 1¢; and Virginia, 2¢ to 15¢.

(b)Four states increased their cigarette tax rates in 2017; California: 200¢, Delaware and Rhode Island: 50¢, Minnesota: 4¢.

(c)Florida's rate includes a surcharge of \$1 per pack.

(d)Dealers pay an additional enforcement and administrative fee of 5¢ in Tennessee.

(e)In addition, Minnesota imposes an in lieu cigarette sales tax determined annually by the Department. The current is 55¢ through December 31, 2017 and 57.4¢ beginning January 1, 2018.

Table 8
Local Government Cigarette Tax Rates & Fees
(August 2017)

RANK	CITY/COUNTY (PARTIAL LIST)	TOTAL STATE + LOCAL TAX (PER PACK)
1	Chicago (\$1.18) plus Cook County (\$3.00) plus Illinois (\$1.98)	\$6.16 per pack
2	New York City (\$1.50 per pack) plus New York State (\$4.35)	\$5.85 per pack
3	Evanston (\$0.50) plus Cook County (\$3.00) plus Illinois (\$1.98)	\$5.48 per pack
4	Cicero (\$0.16) plus Cook County (\$3.00) plus Illinois (\$1.98)	\$5.14 per pack
5	Juneau (\$3.00) plus Alaska (\$2.00)	\$5.00 per pack
6	Cities with no tax in Cook County (\$3.00) plus Illinois (\$1.98)	\$4.98 per pack
7	Philadelphia (\$2.00) plus Pennsylvania (\$2.60)	\$4.60 per pack
8	Sitka (\$2.462) plus Alaska (\$2.00)	\$4.462 per pack
9	Anchorage (\$2.39) plus Alaska (\$2.00)	\$4.39 per pack
10	New York state (\$4.35) excluding New York City	\$4.35 per pack

Source: Campaign for Tobacco-Free Kids, August 9, 2017

Note: The combined cigarette tax rates in the table do not include the federal cigarette tax of \$1.01 per pack or any state or local sales taxes that apply to cigarettes. The table shows state cigarette tax rates in effect as of September 1, 2017 (PA effective 9/1/2017)

According to Campaign for Tobacco-Free Kids, the average retail price for a pack of cigarettes nationwide was roughly \$6.48 as of Sept.1, 2017 (Table 1, Attachment 1) with considerable state-to-state variability due to different state tax rates, and manufacturer or retailer pricing and discounting practices. Additional cigarette data is shown in Table 1 of Attachment 1, at the end of this report. This table shows cigarette tax rates, national rankings, date of the last tax increase, annual pack sales, cigarette tax revenues, and retail price per pack of cigarettes for each state.

Table 9 lists the states that enacted increases in cigarette tax rates in 2017. The highest increase of \$2.00 per pack was enacted by California. Increases of \$1.00 per pack or more were adopted in six states since 2011.

Table 9
States enacting Cigarette Tax Rate Increases, 2017

State	Effective Date of Increase	Amount of Increase	Tax Rate After Increase
California	4/1/2017	\$2.00	\$2.87
Delaware	9/1/2017	50 cents	\$2.10
Minnesota ^T	1/1/2017	4 cents	\$3.04
Rhode Island	8/16/2017	50 cents	\$4.25

^T Excise tax rate is adjusted for inflation each year as part of the law passed to increase the tobacco tax rates in 2013.

2. Tobacco Products Taxes

Table 10 summarizes non-cigarette tobacco products and E-Cigarette taxes, as of November 2017, in the states which impose a tax on tobacco products. Unlike the cigarette tax, which is standardized on a per pack basis, the taxation of other tobacco products, which includes snuff, chewing tobacco, smoking tobacco, and cigars, is diversified. It varies both between and within states depending on the type of tobacco product considered. A number of states tax some tobacco products as a percentage of price and other products by unit or volume.

Nine states, including Wisconsin (after September 1, 2009), base the snuff tax on the price charged by the manufacturer. Nineteen states, however, base the tax on the wholesale price (Table 109). Wisconsin's moist snuff tax of 100% of manufacturing price is the highest, while South Carolina's 5.0% tax rate is the lowest. Tax rates based on wholesale price range from 6.6% in Tennessee to 210.0% in Massachusetts.

Eleven states, including Wisconsin, base chewing and smoking tobacco taxes on manufacturer's price. Utah charges the highest rate of 86% of manufacturing price and South Carolina charges the lowest tax rate of 5.0%, while the Wisconsin rate is 71.0% of manufacturing price.

Thirty-two states base chewing and smoking tobacco tax on wholesale price. The highest tax rate of 210.0% of wholesale price is in Massachusetts (for chewing tobacco) while the lowest rate of 6.6%, is in Tennessee. Florida does not tax cigars, but does tax all other tobacco products. Eleven states, including Wisconsin, tax cigars based on the price charged by manufacturers and 31 states base the tax on wholesale prices. Wisconsin's tax rate is 71.0% of manufacturer's price with a 50 cent cap per cigar. The highest tax rate based on the price charged by the manufacturer is 86.0% in Utah, and the lowest such tax is 5.0%, in South Carolina. The highest tax rate based on wholesale prices is 95.0% in Minnesota, and the lowest, 6.6% of wholesale price, is in Tennessee.

Table 10
State Other Tobacco Product Tax
(November 1, 2017)

State	Snuff Tax	Chewing & Smoking Tobacco Tax	Cigar Tax ³	E-Cigarette Tax	Date tax OTP last changed
Alabama	1.0-12.0¢/oz	Chewing: 1.5 ¢/oz.; Smoking: 4-6¢/oz.	4.0-40.5¢/10 cigars		5/18/2004
Alaska	75% wholesale price	75% wholesale price	75% wholesale price		10/1/1997
Arizona	22.35¢/oz.	5.45-22.25¢/oz.	22.05-218¢/10 cigars		12/8/2006
Arkansas	68% mfr. price	68% mfr. price	68% mfr. price, 50¢ cap		3/1/2009
California ⁴	65.08% wholesale price	65.08% wholesale price	65.08% wholesale price	65.08% wholesale price	7/1/2017
Colorado	40% mfr. price	40% mfr. price	40% mfr. price		1/1/2005
Connecticut	100¢/oz.	50% wholesale price	50% wholesale price, 50¢ cap; LC		7/1/2011
Delaware	92¢/oz.	30% wholesale price	15% wholesale price	5¢/mL (eff. 1/1/18)	9/1/2017
DC	65% wholesale price	65% wholesale price	65% wholesale price (cigars < \$2 only); LC	65% wholesale price	10/1/2016
Florida	85% wholesale price	85% wholesale price	None		7/1/2009
Georgia	10% wholesale price	10% wholesale price	2.5¢/10 cigars; 23% wholesale price		7/1/2003
Hawaii	70% wholesale price	70% wholesale price	50% wholesale price; LC		9/30/2009
Idaho	40% wholesale price	40% wholesale price	40% wholesale price		7/1/1994

Table 10
State Other Tobacco Product Tax (cont.)

(November 1, 2017)

State	Snuff Tax ²	Chewing & Smoking Tobacco Tax	Cigar Tax ³	E-Cigarette Tax	Date tax OTP last changed
Illinois	30¢/oz.	36% wholesale price	36% wholesale price; LC		7/1/2013
Indiana	40¢/oz. (on 7/1/14)	24% wholesale price	24% wholesale price		7/1/2014
Iowa	119¢/oz.	50% wholesale price	50% wholesale price, 50¢ cap; LC		3/15/2007
Kansas	10% wholesale price	10% wholesale price	10% wholesale price	20¢/mL	7/1/1972
Kentucky	19¢/unit ⁵	15% wholesale price	15% wholesale price		4/1/2009
Louisiana	20% mfr. price	Chewing: 20% mfr. price; Smoking: 33%	8%-20% mfr. price	5¢/mL	7/1/2000
Maine	202¢/oz. (with min. tax)	Chewing: 202¢/oz.; Smoking: 20%	20% wholesale price		7/1/2009
Maryland	30% wholesale price	30% wholesale price	Non-premium: 70% w/s price; Premium: 15% w/s price		7/1/2012
Massachusetts	210% wholesale price	Chewing: 210% w/s price; Smoking: 40%	40% wholesale price; LC		7/31/2013
Michigan	32% wholesale price	32% wholesale price	32% wholesale price		7/1/2004
Minnesota	95% wholesale price (with min. tax)	95% wholesale price	95% wholesale price; \$3.50 premium cigar cap; LC;	95% wholesale price	7/1/2013 (min tax 1/1/2017)
Mississippi	15% mfr. price	15% mfr. price	15% mfr. price		6/1/2005
Missouri	10% mfr. price	10% mfr. price	10% mfr. price		10/1/1993
Montana	85¢/oz.	50% wholesale price	50% wholesale price; LC		1/1/2005
Nebraska	44¢/oz.	20% wholesale price	20% wholesale price		10/1/2009
Nevada	30% wholesale price	30% wholesale price	30% wholesale price		
New Hampshire	65.03% wholesale price	65.03% wholesale price	65.03% w/s price (not premium); LC		8/1/2013
New Jersey	75¢/oz.	30% wholesale price	30% wholesale price		7/15/2006
New Mexico	25% mfr. price	25% mfr. price	25% mfr. price; LC		
New York	200¢/oz. (with min. tax)	75% wholesale price	75% wholesale price; LC		8/1/2010
North Carolina	12.8% wholesale price	12.8% wholesale price	12.8% wholesale price	5¢/mL	9/1/2009
North Dakota	60¢/oz.	Chewing: 16 ¢/oz; Smoking: 28% w/s price	28% wholesale price		7/1/2001
Ohio	17% wholesale price	17% wholesale price	LC: 37% w/s price; others: 17% w/s price		2/1/1993
Oklahoma	60% mfr. price	Chewing: 60% mfr. price; Smoking: 80%	3.6-120¢/10 cigars		1/1/2005
Oregon	178¢/oz. (with min. tax)	65% wholesale price	65% wholesale price, 50¢ cap		1/1/2010
Pennsylvania	55¢/oz	55¢/oz	LC	40% wholesale price	10/1/2016
Rhode Island	1 00¢/oz.	80% wholesale price	80% wholesale price, 50¢ cap; LC		4/10/2009
South Carolina	5% mfr. price	5% mfr. price	5% mfr. price		
South Dakota	35% wholesale price	35% wholesale price	35% wholesale price		1/1/2007
Tennessee	6.6% wholesale price	6.6% wholesale price	6.6% wholesale price; LC		7/15/2002

Table 10
State Other Tobacco Product Tax (cont.)

(November 1, 2017)

State	Snuff Tax ²	Chewing & Smoking Tobacco Tax	Cigar Tax ³	E-Cigarette Tax	Date OTP tax last changed
Texas	122¢/oz. (with min. tax)	122¢/oz. (with min. tax)	1-15¢/10 cigars		9/1/2013
Utah	183¢/oz.	86% mfr. price	86% mfr. price; LC		7/1/2010
Vermont	257¢/oz. or 308 ¢/pack if less than 1 .2oz.	92% wholesale price	92% w/s price for <\$2.17 w/s price; \$2 per cigar for >\$2.17 to <\$10; \$4 per cigar for ≥ \$10; LC		7/1/2015
Virginia	18¢/oz.	Chewing: 21 ¢-70¢/unit Other: 10% mfr. price	10% mfr. price		1/1/2011
Washington	252.6 ¢ per 1 .2oz. min.	95% taxable sales price	95% taxable sales price, 75¢ cap; LC		5/1/2010
West Virginia	12% wholesale price	12% wholesale price	12% wholesale price	7.5¢/mL	7/1/2016
Wisconsin	100% mfr. price	71% mfr. price	71% mfr. price, 50 ¢ cap		9/1/2009
Wyoming	60¢/oz. (with min. tax)	20% wholesale price	20% wholesale price		7/1/2009
US Government	9.4¢/oz.	Chewing: 3.1¢/oz.; Pipe: 17.7¢/oz.; RYO: \$1.55/oz.	LC; Large cigars: 52.75% mfr. price, 40.26 ¢ cap		4/1/2009

¹ CDC, Youth Risk Behavior Surveillance (YRBS), 2015, <http://www.cdc.gov/healthyyouth/data/yrb s/pdf/2015/ss6506 updated.pdf>. More recent data from the 2016 National Youth Tobacco Survey (NYTS), using a different methodology from the YRBS, found that, 8.3% of high school boys and 3.3% of girls use smokeless tobacco.

² Each state that has a separate "snuff" definition defines it differently, but it is usually defined as any powdered, finely cut, or ground tobacco that is not intended to be smoked.

³ "LC" indicates that the state has specified that little cigars, however defined by the state, are taxed at the same rate as cigarettes.

⁴ California's other tobacco product tax is based on the state's cigarette tax rate and changes every year.

⁵ Moist snuff only. A unit is defined as a container less than 1 .5oz. Dry snuff is taxed at the same rate as chewing tobacco.

3. Liquor, Wine and Beer Taxes

Thirty-three states are classified as license states, where a licensed entity may sell liquor and impose excise taxes on liquor sales. The 17 remaining states are liquor monopoly states where the government maintains complete or partial control over the sale of liquor and generates revenue through taxes, fees, and profits from sales (Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, West Virginia, and Wyoming. In addition, Montgomery County in Maryland is a monopoly county).

As of January 1, 2017, tax rates ranged from \$14.27 per gallon in Washington which privatized liquor sales effective June 1, 2012 to \$1.92 per gallon in Kentucky. Both Minnesota (at \$5.03 per gallon) and Illinois (at \$8.55 per gallon) had tax rates higher than Wisconsin's \$3.25 per gallon. Iowa and Michigan are monopoly states (Table 11).

Forty-six states impose an excise tax on the sale of wine. Four states - New Hampshire, Pennsylvania, Utah, and Wyoming - have state wine monopolies. Table 12 shows the wine tax rates as of January 2016. Ignoring special tax rates on sparkling wine and on wine with high or low alcohol content, Alaska had the highest tax rate (\$2.50 per gallon) and Louisiana the lowest (\$0.11 per gallon). Only Louisiana (\$0.11), Texas (\$0.20) and California (\$0.20) had tax rates on wine lower than Wisconsin's \$0.25 per gallon rate. Wisconsin's neighbors all had higher wine tax rates - \$1.75 per gallon in Iowa, \$1.39 in Illinois, \$0.51 in Michigan, and \$0.30 in Minnesota.

All states impose a beer tax. Table 13 shows beer tax rates in effect on November 1, 2017. Wyoming had the lowest tax, \$0.02 per gallon, while Hawaii had the highest rate, \$0.93 per gallon. Missouri, at \$0.06 per gallon and Wisconsin at \$0.065 had the next lowest tax rates after Wyoming. Rates in neighboring states

were \$0.231 per gallon in Illinois, \$0.19 in Iowa, \$0.20 in Michigan and \$0.15 in Minnesota. Other taxes on liquor, wine, and beer as of November 1, 2017, are shown in Attachment 1, Tables 3, 4, and 5, respectively.

State Tax Rates on Distilled Spirits as of November 1, 2017

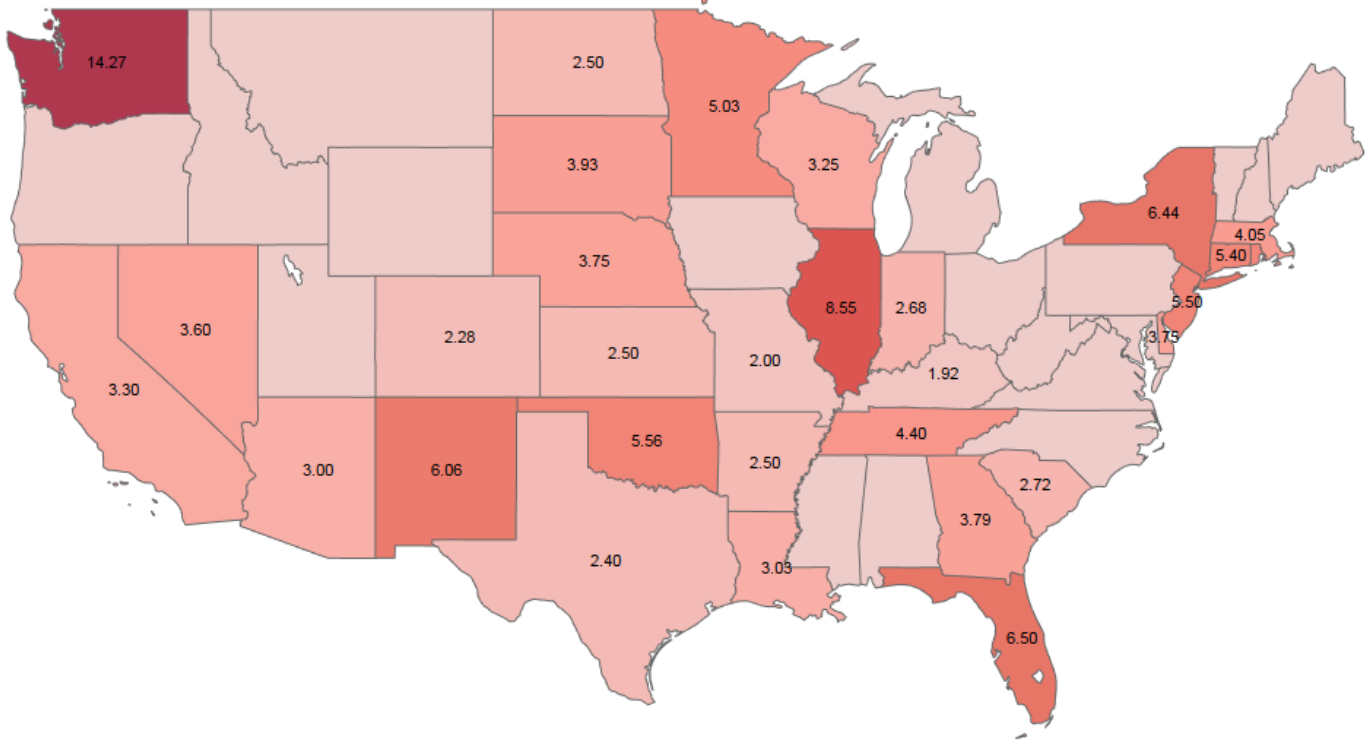


Table 11
State Tax Rates On Distilled Spirits
(November 1, 2017)
(\$ per gallon)

State	Tax Rate	Rank	State	Tax Rate	Rank	State	Tax Rate	Rank
Alabama	(1)	34	Louisiana	3.03	22	Ohio	(1)	34
Alaska	12.80	2	Maine	(1)	34	Oklahoma	5.56	8
Arizona	3.00	22	Maryland	1.50	33	Oregon	(1)	34
Arkansas	2.50	26	Massachusetts	4.05	14	Pennsylvania	(1)	34
California	3.30	20	Michigan	(1)	34	Rhode Island	5.40	10
Colorado	2.28	30	Minnesota	5.03	12	South Carolina	2.72	24
Connecticut	5.40	10	Mississippi	(1)	34	South Dakota	3.93	15
Delaware	3.75	17	Missouri	2.00	31	Tennessee	4.40	13
Florida	6.50	4	Montana	(1)	34	Texas	2.40	29
Georgia	3.79	16	Nebraska	3.75	17	Utah	(1)	34
Hawaii	5.98	7	Nevada	3.60	19	Vermont	(1)	34
Idaho	(1)	34	New Hampshire	(1)	34	Virginia	(1)	34
Illinois	8.55	3	New Jersey	5.50	9	Washington	14.27	1
Indiana	2.68	25	New Mexico	6.06	6	West Virginia	(1)	34
Iowa	(1)	34	New York	6.44	5	Wisconsin	3.25	21
Kansas	2.50	26	North Carolina	(1)	34	Wyoming	(1)	34
Kentucky	1.92	32	North Dakota	2.50	26	U.S. Median	3.75	

Source: Compiled by FTA from state sources.

(1) In 17 states, the government directly controls the sales of distilled spirits. Revenue in these states is generated from various taxes, fees, price mark-ups, and net liquor profits.

State Tax Rates on Wine as of November 1, 2017 (\$ per gallon)

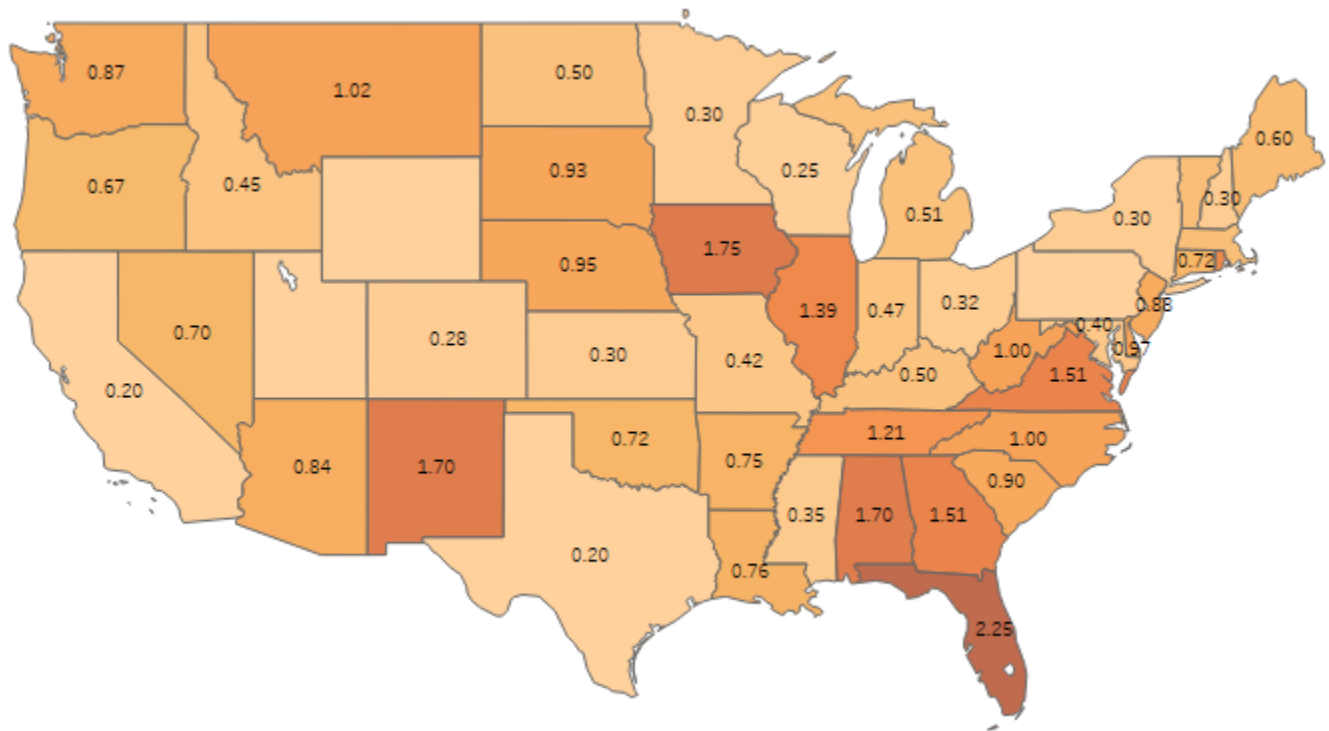


Table 12
State Tax Rates on Wine
(November 1, 2017)
(\$ per gallon)

State	Tax Rate	Rank	State	Tax Rate	Rank	State	Tax Rate	Rank
Alabama	1.70	4	Louisiana	0.76	22	Ohio	0.32	39
Alaska	2.50	1	Maine	0.60	28	Oklahoma	0.72	24
Arizona	0.84	21	Maryland	0.40	37	Oregon	0.67	27
Arkansas	0.75	23	Massachusetts	0.55	29	Pennsylvania	(1)	48
California	0.20	46	Michigan	0.51	31	Rhode Island	1.40	8
Colorado	0.28	44	Minnesota	0.30	40	South Carolina	0.90	18
Connecticut	0.72	24	Mississippi	0.35	38	South Dakota	0.93	17
Delaware	0.97	15	Missouri	0.42	36	Tennessee	1.21	11
Florida	2.25	2	Montana	1.02	12	Texas	0.20	46
Georgia	1.51	6	Nebraska	0.95	16	Utah	(1)	48
Hawaii	1.38	10	Nevada	0.70	26	Vermont	0.55	29
Idaho	0.45	35	New Hampshire	0.30	40	Virginia	1.51	6
Illinois	1.39	9	New Jersey	0.88	19	Washington	0.87	20
Indiana	0.47	34	New Mexico	1.70	4	West Virginia	1.00	13
Iowa	1.75	3	New York	0.30	40	Wisconsin	0.25	45
Kansas	0.30	40	North Carolina	1.00	13	Wyoming	(1)	48
Kentucky	0.50	32	North Dakota	0.50	32	U.S. Median	0.72	

Source: Compiled by FTA from state sources.

(1) All wine sales are through state stores. Revenue in these states is generated from various taxes, fees, price mark-ups, and net profits.

State Tax Rates on Beer as of November 1, 2017
(\$ per gallon)

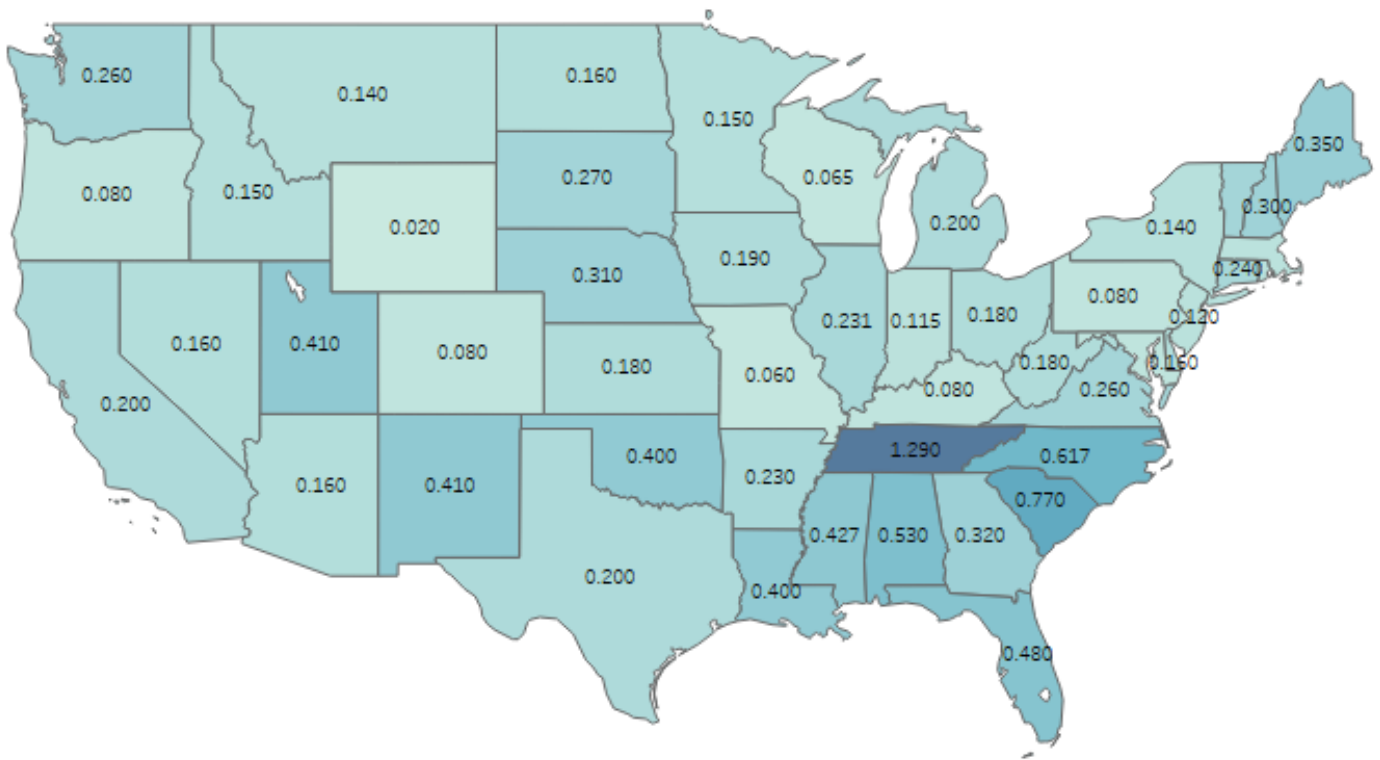


Table 13
 State Tax Rates On Beer
 (November 1, 2017)
 (\$ per gallon)

State	Tax Rate	Rank	State	Tax Rate	Rank	State	Tax Rate	Rank
Alabama	\$0.53	6	Louisiana	0.40	11	Ohio	0.18	28
Alaska	1.07	2	Maine	0.35	13	Oklahoma	0.40	11
Arizona	0.16	31	Maryland	0.09	43	Oregon	0.08	44
Arkansas	0.23	23	Massachusetts	0.11	41	Pennsylvania	0.08	44
California	0.20	24	Michigan	0.20	24	Rhode Island	0.11	41
Colorado	0.08	46	Minnesota	0.15	35	South Carolina	0.77	4
Connecticut	0.24	21	Mississippi	0.4268	8	South Dakota	0.27	17
Delaware	0.16	31	Missouri	0.06	48	Tennessee	1.29	1
Florida	0.48	7	Montana	0.14	37	Texas	0.20	24
Georgia	0.32	14	Nebraska	0.31	15	Utah	0.41	9
Hawaii	0.93	3	Nevada	0.16	31	Vermont	0.265	18
Idaho	0.15	35	New Hampshire	0.30	16	Virginia	0.26	19
Illinois	0.231	22	New Jersey	0.12	39	Washington	0.26	19
Indiana	0.115	40	New Mexico	0.41	9	West Virginia	0.18	28
Iowa	0.19	27	New York	0.14	37	Wisconsin	0.065	48
Kansas	0.18	28	North Carolina	0.6171	5	Wyoming	0.02	50
Kentucky	0.08	44	North Dakota	0.16	31	U.S. Median	\$0.20	

Source: Compiled by FTA from state sources.

Attachment 1 Table 1
 State Cigarette Tax Rates & Rank, Date of Last Increase, Annual Pack Sales & Revenues, and Retail Price per Pack

State	Cigarette Tax Per Pack	National Rank (1 = high)	Date of Last State Tax Increase	FY2016 Cigarette Pack Sales (millions)	FY2016 Cigarette Tax Revenue (millions)	Retail Price Per Pack With All Taxes
<i>All State Avg/Total</i>	\$1.67	///	///	12.8 billion	\$16.8 billion	\$6.48
Alabama	\$0.675	40th	10/1/2015	292.3	\$163.9	\$5.41
Alaska	\$2.00	14th	7/1/2007	26.4	\$52.6	\$9.01
Arizona	\$2.00	14th	12/8/2006	160.1	\$319.0	\$6.92
Arkansas	\$1.15	34th	3/1/2009	162.0	\$179.0	\$5.74
California	\$2.87	9th	1/1/1999	863.5	\$748.1	\$5.61
Colorado	\$0.84	38th	1/1/2005	198.4	\$164.0	\$5.49
Connecticut	\$3.90	2nd	7/1/2016	101.2	\$364.5	\$8.89
Delaware	\$1.60	24th	7/1/2009	64.8	\$102.9	\$5.99
Washington, DC	\$2.50	13th	10/1/2009	10.1	\$29.4	\$7.70
Florida	\$1.339	30th	7/1/2009	855.4	\$1,127.5	\$5.79
Georgia	\$0.37	49th	7/1/2003	487.7	\$178.9	\$4.92
Hawaii	\$3.20	5th	7/1/2011	36.3	\$116.4	\$9.04
Idaho	\$0.57	45th	6/1/2003	68.5	\$38.4	\$5.21
Illinois	\$1.98	18th	6/24/2012	403.2	\$803.0	\$7.49
Indiana	\$0.995	36th	7/1/2007	413.9	\$431.3	\$5.58
Iowa	\$1.36	28th	3/15/2007	149.5	\$202.2	\$6.00
Kansas	\$1.29	31st	7/1/2015	105.8	\$140.0	\$5.91
Kentucky	\$0.60	43rd	4/1/2009	386.0	\$231.0	\$5.02
Louisiana	\$1.08	34th	4/1/2016	261.7	\$223.5	\$5.73
Maine	\$2.00	13th	9/19/2005	65.1	\$130.8	\$6.81
Maryland	\$2.00	13th	1/1/2008	182.9	\$364.5	\$6.72
Massachusetts	\$3.51	4th	7/31/2013	174.4	\$610.8	\$9.08
Michigan	\$2.00	13th	7/1/2004	445.8	\$890.7	\$6.69
Minnesota	\$3.04	7th	1/1/2016	164.5	\$567.0	\$8.32
Mississippi	\$0.68	39th	5/15/2009	176.9	\$120.4	\$5.13
Missouri	\$0.17	51st	10/1/1993	508.2	\$86.3	\$4.62
Montana	\$1.70	21st	1/1/2005	44.0	\$74.1	\$6.44
Nebraska	\$0.64	41st	10/1/2002	88.3	\$56.1	\$5.36
Nevada	\$1.80	19th	7/1/2015	90.8	\$162.4	\$6.36
New Hampshire	\$1.78	20th	8/1/2013	122.1	\$215.6	\$6.43
New Jersey	\$2.70	9th	7/1/2009	251.3	\$679.4	\$7.51
New Mexico	\$1.66	23rd	7/1/2010	51.2	\$85.1	\$6.52
New York	\$4.35	1st	7/1/2010	276.4	\$1,208.8	\$10.23
North Carolina	\$0.45	47th	9/1/2009	552.0	\$245.7	\$4.90
North Dakota	\$0.44	48th	7/1/1993	53.2	\$23.4	\$4.81
Ohio	\$1.60	24th	7/1/2015	590.0	\$944.4	\$6.23
Oklahoma	\$1.03	35th	1/1/2005	240.1	\$246.5	\$5.84
Oregon	\$1.32	30th	1/1/2016	163.7	\$211.5	\$6.00
Pennsylvania	\$2.60	10th	8/1/2016	616.2	\$987.8	\$7.80
Rhode Island	\$3.75	3rd	8/1/2015	37.2	\$139.5	\$8.82
South Carolina	\$0.57	45th	7/1/2010	284.3	\$156.1	\$5.05
South Dakota	\$1.53	26th	1/1/2007	38.6	\$58.8	\$6.25
Tennessee	\$0.62	42nd	7/1/2007	409.7	\$251.9	\$5.13
Texas	\$1.41	27th	1/1/2007	913.9	\$1,271.8	\$6.04
Utah	\$1.70	21st	7/1/2010	56.4	\$94.3	\$6.50
Vermont	\$3.08	6th	7/1/2015	23.4	\$72.1	\$8.03

ATTACHMENT 1 - Table 1 (Cont.)

State Cigarette Tax Rates & Rank, Date of Last Increase, Annual Pack Sales & Revenues, and Retail Price per Pack

Virginia	\$0.30	50th	7/1/2005	535.0	\$159.9	\$5.10
Washington	\$3.025	7th	5/1/2010	131.2	\$390.7	\$7.99
West Virginia	\$1.20	32nd	7/1/2016	174.9	\$96.9	\$5.67
Wisconsin	\$2.52	11th	7/1/2009	229.4	\$577.5	\$7.51
Wyoming	\$0.60	43rd	7/1/2003	32.0	\$19.2	\$5.26

ATTACHMENT 1 - Table 2
Federal Excise Tax Increase - April 1, 2009

Product	Tax Rate effective March 31, 2009	Tax Rate effective 4/1/2009	Floor Stocks Tax Rate (difference between the rates)
Small Cigarettes - Class A <i>(Weigh 3 lbs. or less per 1,000)</i>	\$19.50 per 1,000	\$50.33 per 1,000	\$30.83 per 1,000
	equivalent to:	equivalent to:	equivalent to:
	\$3.90 per carton	\$10.066 per carton	\$6.166 per carton
	\$0.39 per pack	\$1.0066 per pack	\$0.6166 per pack
Large Cigarettes - Class B <i>(Weigh more than 3 lbs. per 1,000)</i>	\$40.95 per 1,000	\$105.69 per 1,000	\$64.74 per 1,000
Small Cigars <i>(Weigh 3 lbs. or less per 1,000)</i>	\$1.828 per 1,000	\$50.33 per 1,000	\$48.502 per 1,000
Large Cigars <i>(Weigh more than 3 lbs. per 1,000)</i>	20.719% of sales price but not to exceed \$48.75 per 1,000	52.75% of sales price but not to exceed \$0.4026 per cigar (or \$402.60 per 1,000)	NOT PART OF FLOOR TAX
Chewing Tobacco	\$0.195 per pound	\$0.5033 per pound	\$0.3083 per pound
Snuff	\$0.585 per pound	\$1.51 per pound	\$0.925 per pound
Pipe tobacco	\$1.0969 per pound	\$2.8311 per pound	\$1.7342 per pound
Roll-your-own tobacco	\$1.0969 per pound	\$24.78 per pound	\$23.6831 per pound
Cigarette papers	\$0.0122 per 50	\$0.0315 per 50	\$0.0193 per 50
Cigarette tubes	\$0.0244 per 50	\$0.0630 per 50	\$0.0386 per 50

Source: U.S. Alcohol and Tobacco Tax and Trade Bureau

ATTACHMENT 1 - Table 3
Other State Tax Rates on Distilled Spirits
(January 1, 2017)

State	General Sales Tax Applies	Other Taxes
Alabama	Yes	
Alaska	n.a.	under 21% - \$2.50/gallon
Arizona	Yes	
Arkansas	Yes	under 5% - \$0.50/gallon, under 21% -\$1.00/gallon; \$0.20/case; 3% off- 14% on-premise retail taxes
California	Yes	over 50% - \$6.60/gallon
Colorado	Yes	
Connecticut	Yes	under 7% - \$2.46/gallon
Delaware	n.a.	25% or less - \$2.30/gallon
Florida	Yes	under 17.259% - \$2.25/gallon, over 55.780% - \$9.53/gallon
Georgia	Yes	\$0.83/gallon local tax
Hawaii	Yes	
Idaho	Yes	
Illinois	Yes	under 20% - \$1.39/gallon; \$2.68/gallon in Chicago, \$2.50/gallon in Cook County
Indiana	Yes	under 15% - \$0.47/gallon
Iowa	Yes	
Kansas	--	8% off- and 10% on-premise retail tax
Kentucky	Yes	under 6% - \$0.25/gallon; \$0.05/case and 11% wholesale tax
Louisiana	Yes	
Maine	Yes	
Maryland	Yes	9% sales tax
Massachusetts		under 15% - \$1.10/gallon, over 50% alcohol - \$4.05/proof gallon;
Michigan	Yes	
Minnesota	--	\$0.01/bottle (except miniatures) and 9% sales tax
Mississippi	Yes	
Missouri	Yes	
Montana	n.a.	
Nebraska	Yes	
Nevada	Yes	5% to 14% - \$0.70/gallon, 15% to 22% - \$1.30/gallon
New Hampshire	n.a.	
New Jersey	Yes	
New Mexico	Yes	
New York	Yes	Under 24% - \$2.54/gal.; additional \$1.00/gal. in New York City
North Carolina	Yes (2)	
North Dakota	--	7% state sales tax
Ohio	Yes	
Oklahoma	Yes	13.5% on-premise
Oregon	n.a.	
Pennsylvania	Yes	
Rhode Island (3)	Yes	
South Carolina	Yes	\$5.36/case and 9% surtax; additional 5% on-premise tax
South Dakota	Yes	under 14% - \$0.93/gallon; 2% wholesale tax
Tennessee	Yes	15% on-premise; under 7% - \$1.10/gallon.
Texas	Yes	6.7% on-premise and \$0.05/drink on airline sales
Utah	Yes	
Vermont	no	10% on-premise sales tax
Virginia	Yes	
Washington (4)	--	\$9.24/gal. on-premise; 20.5% retail sales tax, 13.7% sales tax to on-premise
West Virginia	Yes	
Wisconsin	Yes	\$0.03/gallon administrative fee
Wyoming	Yes	

Source: Compiled by FTA from state sources.

n.a. = not applicable. These 5 states do not have a general sales tax. (1) In 17 states, the government directly controls the sales of distilled spirits. Revenue in these states is generated from various taxes, fees, price mark-ups, and net liquor profits. (2) General sales tax applies to on-premise sales only. (3) Washington privatized liquor sales effective June 1, 2012.

ATTACHMENT 1 - Table 4
Other State Tax Rates on Wine
(January 1, 2017)

State	Sales Tax	Other Taxes
Alabama	Yes	\$0.26/gallon local; over 16.5% - \$9.16/gallon
Alaska	n.a.	
Arizona	Yes	over 24% - \$4.00/gallon
Arkansas	Yes	under 5% - \$0.25/gallon; \$0.05/case; 3% off- and 10% on-premise
California	Yes	sparkling wine - \$0.30/gallon
Colorado	Yes	
Connecticut	Yes	over 21% and sparkling wine - \$1.80/gallon
Delaware	n.a.	
Florida	Yes	over 17.259% - \$3.00/gallon, sparkling wine \$3.50/gallon
Georgia	Yes	over 14% - \$2.54/gallon; \$0.83/gallon local tax
Hawaii	Yes	sparkling wine - \$2.12/gallon, wine coolers - \$0.85/gallon
Idaho	Yes	
Illinois	Yes	over 20% - \$8.55/gallon; (\$0.36 - \$0.89/gallon in Chicago; (\$0.20 - \$0.45)/gallon in Cook County
Indiana	Yes	over 21% - \$2.68/gallon
Iowa	Yes	under 5% - \$0.19/gallon
Kansas	--	over 14% - \$0.75/gallon; 8% off- and 11% on-premise
Kentucky	Yes	11% wholesale (2)
Louisiana	Yes	14% to 24% - \$0.23/gallon, over 24% and sparkling wine - \$1.59/gallon
Maine	Yes	over 15.5% - sold through state stores, sparkling wine - \$1.25/gallon; 7% on-premise sales tax
Maryland	--	9% sales tax
Massachusetts		sparkling wine - \$0.70/gallon;
Michigan	Yes	over 16% - \$0.76/gallon
Minnesota	--	14% to 21% - \$0.95/gallon, under 24% and sparkling wine - \$1.82/gallon; over 24%- \$3.52/gallon; \$0.01/bottle and 9% sales tax
Mississippi	Yes	sparkling wine and champagne - \$1.00/gallon;
Missouri	Yes	
Montana	n.a.	over 16% - sold through state stores
Nebraska	Yes	over 14% - \$1.35/gallon
Nevada	Yes	14% to 22% - \$1.30/gallon, over 22% - \$3.60/gallon
New Hampshire	n.a.	
New Jersey	Yes	
New Mexico	Yes	
New York	Yes	
North Carolina	Yes	over 17% - \$1.11/gallon
North Dakota	--	over 17% - \$0.60/gallon; 7% sales tax
Ohio	Yes	Over 14% to 21% - \$1.00/gal., vermouth - \$1.10/gal.
Oklahoma	Yes	sparkling wine - \$2.08/gallon; 13.5% on-premise
Oregon	n.a.	over 14% - \$0.77/gallon
Pennsylvania	Yes	
Rhode Island (3)	Yes	sparkling wine - \$0.75/gallon
South Carolina	Yes	\$0.18/gallon additional tax
South Dakota	Yes	14% to 20% - \$1.45/gallon, over 21% and sparkling wine - \$2.07/gallon; 2% wholesale tax
Tennessee	Yes	15% on-premise
Texas	Yes	over 14% - \$0.408/gallon and sparkling wine - \$0.516/gallon;
Utah	Yes	
Vermont	Yes	over 16% - sold through state store, 10% on-premise sales tax
Virginia	Yes	under 4% - \$0.2565/gallon and over 14% - sold through state stores
Washington	Yes	over 14% - \$1.72/gallon
West Virginia	Yes	5% local tax
Wisconsin	Yes	over 14% - \$0.45/gallon
Wyoming	Yes	

Source: Compiled by FTA from state sources; n.a. = not applicable. These 5 states do not have a general sales tax.

ATTACHMENT 1 Table 5
Other State Tax Rates on Beer
(January 1, 2017)

State	Sales Tax	Other Taxes
Alabama	Yes	\$0.52/gallon local tax statewide
Alaska	n.a.	
Arizona	Yes	
Arkansas	Yes	3% off- 10% on-premise tax
California	Yes	
Colorado	Yes	
Connecticut	Yes	
Delaware	n.a.	
Florida	Yes	
Georgia	Yes	\$0.53/gallon local tax
Hawaii	Yes	\$0.54/gallon draft beer
Idaho	Yes	over 4% - \$0.45/gallon
Illinois	Yes	\$0.29/gallon in Chicago and \$0.09/gallon in Cook County
Indiana	Yes	
Iowa	Yes	
Kansas	--	{8% off- and 10% on-premise}
Kentucky	Yes	10.5% wholesale tax
Louisiana	Yes	\$0.048/gallon local tax
Maine	Yes	7% on-premise sales tax
Maryland	--	9% sales tax
Massachusetts		0.57% on private club sales
Michigan	Yes	
Minnesota	--	under 3.2% - \$0.077/gallon, 9% sales tax
Mississippi	Yes	
Missouri	Yes	
Montana	n.a.	
Nebraska	Yes	
Nevada	Yes	
New Hampshire	n.a.	
New Jersey	Yes	
New Mexico	Yes	
New York	Yes	additional \$0.12/gallon in New York City
North Carolina	Yes	
North Dakota	--	7% state sales tax, bulk beer \$0.08/gal.
Ohio	Yes	
Oklahoma	Yes	under 3.2% - \$0.36/gallon; 13.5% on-premise
Oregon	n.a.	
Pennsylvania	Yes	
Rhode Island (2)	Yes	\$0.04/case wholesale tax
South Carolina	Yes	
South Dakota	Yes	
Tennessee	Yes	Excise Barrelage Tax and Wholesale Tax
Texas	Yes	14.95% on-premise and \$0.05/drink on airline sales
Utah	Yes	over 3.2% - sold through state store
Vermont	Yes	more than 6% alcohol - \$0.55; 10% on-premise sales tax
Virginia	Yes	
Washington	Yes	
West Virginia	Yes	
Wisconsin	Yes	
Wyoming	Yes	

Source: Compiled by FTA from state sources; n.a. = not applicable. These 5 states do not have a general sales tax.