pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, for competitive purposes and to reduce related consumption declines. In January 2003, Philip Morris instituted a 65-cent per pack price increase and R.J. Reynolds followed suit. In the last five years, the major cigarette companies have increased their product prices by more than $1.00 per pack.

The weighted average price for a pack of cigarettes nationwide is roughly $8.41 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC’s $1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; OK has a state sales tax, but does not apply it to cigarettes; MN & DC apply a per-pack sales tax at the wholesale level; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state’s cigarette excise tax.

Table shows all cigarette tax rates currently in effect. Since 2002, 48 states and the District of Columbia have increased their cigarette tax rates 143 times. The states in bold have not increased their tax for at least 10 years (since 2013 or earlier). Currently, 37 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $1.00 per pack or higher; 22 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $2.00 per pack or higher; ten states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of $3.00 per pack or higher; three states, DC, Puerto Rico, and Guam have cigarette tax rates of $4.00 per pack or higher; and one state (NY) and Puerto Rico have cigarette tax rates higher than $5.00. States’ average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is $1.78 per pack. AK, MI, MN, MS, TX, and UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

The highest combined state-local tax rate is $7.16 in Chicago, IL, with Evanston, IL second at $6.48 per pack. Other high state-local rates include New York City at $6.85 and Juneau, AK at $5.00 per pack. For more information on local cigarette taxes, see: http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf.

Federal cigarette tax is $1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies increased the prices they charge by more than $1.25 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. In the last five years, the major cigarette companies have increased their product prices by more than $1.00 per pack. Nationally, estimated smoking-caused health care costs total $20.52 per pack.

The average state cigarette tax is $1.93 per pack.