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J. KENDRICK WELLS, III/gmm
TOBACCO TAX LEGISLATION

Two states have enacted cigarette tax increases to date in 1977. The Indiana cigarette tax will increase from 6¢ per package to 10.5¢ per package effective July 1, 1977. The South Carolina cigarette tax will increase from 6¢ per package to 7¢ per package effective July 1, 1977. The South Carolina Governor vetoed the tax increase bill but the House overrode the veto.

As of June 10, 1977 an aggregate of 52 bills which would increase state cigarette taxes have been introduced in 27 states. Thirty-three of the cigarette tax increase bills have been defeated in 19 states. An aggregate of ten bills which would authorize municipal and county cigarette and other tobacco products taxes or tax increases have been introduced in six states. None of such local tax bills have been passed and four have been defeated in three states.

Cigarette tax bills which relate to the "tar" and nicotine content of cigarettes are pending in three states. One bill is pending in each of Colorado and New Jersey which would levy an additional tax per package on cigarettes having 16 milligrams or more "tar" content per cigarette (15¢ per pack additional in Colorado and 10¢ per pack additional in New Jersey). A bill is pending in Massachusetts which would increase the cigarette tax at varying amounts depending upon the "tar" and nicotine content of each cigarette. This Massachusetts bill has been introduced and has been either defeated or died with adjournment for several consecutive years. Four "tar" and nicotine tax bills have been defeated or died. In a Connecticut bill the levels were to be set pursuant to study. A Maryland bill would have levied an additional tax of 5¢ per pack where the "tar" content was 20 milligrams or more and a similar Massachusetts bill had the numbers 4¢ additional per pack if the "tar" content was 17 milligrams or more and 1.1 milligrams or more nicotine. A Minnesota bill has not been fully reported.

A bill is pending in North Carolina which would increase the cigarette tax from 2¢ per package to 5¢ per package.

An aggregate of five bills which would increase other tobacco products taxes have been introduced in three states. None has passed and four of the bills have been defeated in two states.

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J. K. W.

See SLAT New - Tobacco