

Informational Paper 8

Alcohol and Tobacco Taxes

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The state imposes a number of excise and occupational taxes on the sale of specific products in Wisconsin. An excise tax is a tax on the consumer, rather than the seller, while an occupational tax is imposed on the privilege of engaging in a particular business. State general fund excise or occupational taxes are currently levied on cigarettes, tobacco products, fermented malt beverages (beer), and liquor. Information is presented in this paper on the taxes imposed on each of these products. In addition, a summary of the excise tax rates imposed on alcohol and tobacco products by the federal government and other states is included in the final sections of the paper. [The excise taxes charged on motor vehicle and alternate fuel, which are deposited in the transportation fund, are described in Legislative Fiscal Bureau's informational paper entitled, "Motor Vehicle Fuel and Alternate Fuel Tax."]

Taxes on Alcohol and Tobacco In Wisconsin

Cigarette Tax

The state imposes an excise tax on the sale of cigarettes. The tax rate is generally 77¢ per pack, or 38.5 mills per cigarette, although for larger cigarettes (weighing more than three pounds per thousand) the tax rate is 77 mills per cigarette.

The tax is paid through the purchase of tax stamps from the Department of Revenue (DOR), generally by a manufacturer or distributor. The tax stamp must be affixed to each pack of cigarettes prior to its first sale in the state. Manufacturers and distributors receive a 1.6% discount on stamp purchases (or tax payments) as compensation for

their administrative costs.

The tax on cigarettes was converted from an occupational tax to an excise tax in 1983. This change allowed the state to impose the tax on sales of cigarettes made by Native Americans to non-Native Americans on reservations. Currently, the state has agreements with most Native American tribes through which Native American retailers purchase and sell only stamped (taxed) cigarettes. The state then provides a refund to the tribes of 70% of the tax paid on sales to non-Native Americans and 100% of the tax paid on sales to Native Americans (federal law prohibits states from imposing a cigarette tax on sales by Native Americans to Native Americans on reservations). The refund provision was enacted to encourage Native American retailers to sell only stamped cigarettes. Previously, unstamped cigarettes were sold on reservations, which raised concern regarding competition and the administration and collection of taxes for sales to non-Native Americans. The refund provision was enacted as part of the 1983-85 biennial budget.

Since 1980, the cigarette tax rate has been raised seven times. In fiscal year 1981-82, the rate was raised in two stages, from 16¢ to 20¢ per pack and then to 25¢. The 25¢ rate remained in place until September 1, 1987, at which time it was increased to 30¢ per pack. The rate was raised to 38¢ on May 1, 1992, to 44¢ on September 1, 1995, and to 59¢ on November 1, 1997. The current rate of 77¢ per pack was established in 2001 Wisconsin Act 16 (the 2001-03 biennial budget act), effective October 1, 2001.

Table 1 presents a summary of cigarette tax collections since 1995-96. Revenue "spikes" from the cigarette excise tax have been due to tax increases, rather than increased sales. The 18.6% increase in

Table 1: Cigarette Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
1995-96	\$197.97	11.9%	2.40%
1996-97	204.57	3.3	2.32
1997-98	247.74	21.1	2.60
1998-99	257.42	3.9	2.59
1999-00	247.59	-3.8	2.26
2000-01	243.51	-1.6	2.42
2001-02	288.77	18.6	2.88
2002-03	293.70	1.7	2.88
2003-04	291.32	-0.8	2.71
2004-05	294.30	1.0	2.58
2005-06	301.49	2.4	2.51

revenues from the cigarette tax realized in state fiscal year 2001-02 over the previous fiscal year, for example, followed an 18¢ increase that took effect on October 1, 2001. In contrast, the number of packs of cigarettes for which tax stamps were purchased that year dropped by some 5%. The same pattern holds for the revenue increases that were realized in fiscal years 1995-96 and 1997-98 -- while cigarette tax revenues increased, following a tax increase, cigarette consumption declined.

In years in which there has been no tax increase, there have been either moderate increases or decreases in cigarette tax revenues. In the most recent two fiscal years, 2004-05 and 2005-06, tax revenues increased by 1.0% and 2.4%, respectively, over the previous year. On a national level, according to the U.S. Department of Agriculture's Economic Research Service, cigarette consumption is estimated to have declined by 2.3% annually, on average, since 1996.

Tobacco manufacturers had raised cigarette prices significantly following massive legal settlements with state governments, including a multi-state settlement in November, 1998. These price increases, along with federal tax increases of 10¢ per pack on January 1, 2000, and 5¢ per pack on January 1, 2002, contributed to reduced cigarette

consumption in the state. (The last increase brought the federal cigarette excise tax to 39¢ per pack.)

1997 Act 27 reduced the discount on stamp purchases for manufacturers and distributors from 2% to 1.6%. As mentioned, the discount is provided to manufacturers and distributors as compensation for their administrative costs associated with the tax. The decrease in the rate of the discount was enacted to keep the total discount at the same level it was prior to the increase in the cigarette tax rate adopted in Act 27.

2005 Act 25 authorized direct marketing of cigarettes to consumers in this state if a direct marketer meets certain requirements. Under prior law, direct marketing of cigarettes to Wisconsin consumers was prohibited unless the seller had a valid municipal retail permit for the municipality into which each sale was made. Act 25 authorized direct marketing for a direct marketer that registers with DOR and certifies that the direct marketer will sell only stamped cigarettes. In addition, the direct marketer must verify consumer names, addresses, and ages, and comply with certain other administrative requirements, including certain provisions that also apply to licensed cigarette distributors. The provisions took effect July 27, 2005. To date, there have been no direct marketers requesting to register under these provisions.

Tobacco Products Tax

The state imposes an excise tax on the sale of all tobacco products except cigarettes. The tax rate is equal to 25% of the manufacturer's list price to distributors. The rate was raised to its current level from 20% of the manufacturer's list price on October 1, 2001, as a result of provisions contained in 2001 Act 16. The tax is paid on the basis of monthly returns filed with the Department of Revenue. Table 2 shows tobacco products tax collections since 1995-96.

**Table 2: Tobacco Products Tax Collections
(\$ in Millions)**

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
1995-96	\$7.39	6.3%	0.09%
1996-97	8.78	18.9	0.10
1997-98	9.35	6.5	0.10
1998-99	9.40	0.5	0.09
1999-00	10.31	9.7	0.09
2000-01	11.36	10.2	0.11
2001-02	13.93	22.7	0.14
2002-03	15.51	11.3	0.15
2003-04	16.10	3.8	0.15
2004-05	15.84	-1.6	0.14
2005-06	16.42	3.7	0.14

The tax on tobacco products was converted from an occupational tax to an excise tax under 1999 Wisconsin Act 9 (the 1999-01 biennial budget act). Prior to Act 9, it was common for distributors to sell untaxed tobacco products to Native American retailers and to claim exemptions from the tax for such sales when filing tax returns with DOR. Act 9 specified that all tobacco products were subject to the tax, unless specifically exempted, and imposed penalties on distributors who failed to collect and remit the appropriate tax. These changes meant that tribal retailers would no longer be able to purchase untaxed tobacco products. However, Act 9 authorized the Department to enter into agreements with the tribes to refund 100% of tobacco products taxes paid on sales to tribal members on reservations and 50% of such taxes paid on sales to non-tribal members. Although the refund rates for sales to non-tribal members differ, the provisions for tobacco products tax refunds are comparable to those used for cigarette tax refunds to the tribes.

The tax on tobacco products was established in Chapter 20, Laws of 1981, effective October 1, 1981. Between 1995-96 and 2005-06, collections have ranged from \$7.4 million to \$16.4 million. Unlike the other state excise and occupational taxes which are imposed as a fixed amount per unit of product, the tobacco products tax is levied as a percentage of price. Therefore, collections of the tobacco

Table 3: Liquor, Wine and Cider Tax Rates

Beverage	Tax Rate Per Liter	Tax Rate Per Gallon
Liquor*	85.86¢	\$3.25
Wine		
Up to 14% Alcohol	6.605	0.25
14% to 21% Alcohol	11.89	0.45
Cider	1.71	0.06

*Excludes administrative fee of 11¢/gallon that is levied by the Department of Revenue.

products tax increase over time as prices rise. The largest annual increase in revenues from the tax, 22.7% in 2001-02, reflects implementation of the higher 25% rate for nine months of that fiscal year.

Cigarette and Tobacco Products -- Deductions for Taxes Related to Bad Debts

2005 Act 25, the 2005-07 biennial budget act, provided a deduction against cigarette and tobacco products excise taxes for such taxes that are attributable to bad debts that a distributor paying such taxes writes off as uncollectible under federal income tax provisions. Act 25 provided that a deduction for excise taxes attributable to a bad debt must be claimed on the tax return that is submitted for the period in which the distributor writes off the amount of the bad debt as uncollectible in their books and records. To claim such a deduction, a distributor must also supply certain documentation of the bad debt to DOR, along with the required form for claiming the deduction. The bad debt deductions took effect September 1, 2005.

Liquor, Wine and Cider Taxes

The state imposes occupational taxes on the sale of liquor, wine, and fermented cider. As shown in Table 3, the tax rates for liquor, wine and cider are as follows: (a) liquor -- 85.86¢ per liter; (b) wine containing up to 14% alcohol by volume -- 6.605¢ per liter; (c) wine containing more than 14% but not in excess of 21% alcohol by volume -- 11.89¢ per

liter; and (d) cider containing between 0.5% and 7.0% alcohol-- 1.71¢ per liter. Table 3 summarizes the statutory rates per liter as well as the equivalent per gallon rates.

In addition to the tax on liquor described above, an administrative fee of 11¢/gallon is also imposed. The administrative fee was increased from 3¢ per gallon under 2005 Act 25, effective August 15, 2005. The fee, which is paid by distributors along with liquor taxes, is deposited to a program revenue appropriation and used for computer, audit, and enforcement costs incurred by the Department in administering the state liquor tax and enforcing the three-tier system for alcohol beverage production, distribution, and sale.

Liquor, wine, and cider taxes are collected through monthly payments by distributors, based on the actual tax liability for the previous month. The tax payments and a tax return are due on the 15th day of each month.

The tax on hard cider was established under 1997 Wisconsin Act 136, effective July 1, 1998. For the purpose of the tax, "cider" means an alcoholic beverage made from fermented apple juice that contains 0.5% to 7.0% alcohol by volume. Cider containing a greater amount of alcohol is taxed as wine.

Other than the tax on cider, the occupational tax on liquor and wine has not been modified since Chapter 20, Laws of 1981, effective August 1, 1981. A summary of liquor and wine tax revenues since 1995-96 is presented in Table 4.

Beer Tax

An occupational tax is imposed by the state on the sale of beer. The tax rate is \$2 per barrel of 31 gallons, or approximately 6.5¢ per gallon. A 50% tax credit on the first 50,000 barrels produced is available to brewers who produce less than 300,000 barrels per year. The tax is paid by brewers,

Table 4: Liquor and Wine Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
1995-96	\$30.81	0.6%	0.37%
1996-97	31.35	1.7	0.36
1997-98	32.73	4.4	0.34
1998-99	32.94	0.6	0.33
1999-00	34.56	4.9	0.32
2000-01	35.54	2.8	0.35
2001-02	35.98	1.2	0.36
2002-03	36.04	0.2	0.35
2003-04	38.47	6.7	0.36
2004-05	39.53	2.8	0.35
2005-06	41.02	3.8	0.34

bottlers, and wholesalers on a monthly basis.

The tax on beer was established at its current \$2 per barrel level in Chapter 185, Laws of 1969. A summary of recent collection amounts is presented in Table 5.

Table 5: Beer Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
1995-96	\$9.19	2.5%	0.11%
1996-97	9.21	0.2	0.10
1997-98	9.26	0.6	0.10
1998-99	9.16	-1.1	0.09
1999-00	9.39	2.5	0.09
2000-01	9.36	-0.3	0.09
2001-02	9.60	2.5	0.10
2002-03	9.52	-0.8	0.09
2003-04	9.60	0.9	0.09
2004-05	9.77	1.8	0.09
2005-06	9.76	-0.1	0.08

Federal Taxes on Alcohol and Tobacco

The federal excise tax on cigarettes is currently 39¢ per pack. This rate took effect on January 1, 2002. Previous per-pack federal excise tax rates, and the periods in which those rates were in effect,

are as follows:

Jan. 1, 2000 - Dec. 31, 2001	34¢
Jan. 1, 1993 - Dec. 31, 1999	24¢
Jan. 1, 1991 - Dec. 31, 1992	20¢
Prior to Jan. 1, 1991	16¢

The current federal taxes on tobacco products are as follows:

Snuff	58.5¢ per pound
Chewing Tobacco	19.5¢ per pound
Pipe Tobacco	\$1.0969 per pound
Roll-Your-Own Tobacco	\$1.0969 per pound
Small Cigars	\$1.828 per 1,000
Large Cigars	20.719% of wholesale price but not more than \$48.75 per 1,000

These rates took effect January 1, 2002, and are higher than the previous tax rates.

The federal liquor tax is \$13.50 per proof gallon (one gallon of 100 proof liquor). For example, a gallon of 80 proof alcohol is taxed at \$10.80 (80% of \$13.50). The Wisconsin liquor tax, in contrast, is based on the volume of the beverage in liters and does not consider the alcohol content.

Federal law provides five separate rates for the taxation of wine, as outlined below. These taxes are based on wine gallons (128 fluid ounces) rather than proof gallons.

Less than 14% alcohol	\$1.07 per gallon
14% to 21% alcohol	1.57 per gallon
21% to 24% alcohol	3.15 per gallon
Artificially carbonated wine	3.30 per gallon
Naturally sparkling champagne	3.40 per gallon

In addition, a separate rate of 22.6¢/gallon is specified for hard cider from apples containing at least 0.5% and less than 7% alcohol.

The federal beer tax is \$18 per barrel of 31 gallons (approximately 58¢ per gallon). A reduced rate of \$7 per barrel for the first 60,000 barrels of

beer annually is provided for brewers who produce not more than two million barrels in a calendar year.

Taxes on Alcohol and Tobacco in Other States

Information on the excise taxes imposed by other states on cigarettes, tobacco products, liquor, and beer is summarized in the following tables. These tables reflect state tax law changes in other states as of January, 2007.

Table 6 identifies the cigarette tax rates in effect in other states. These rates apply to packages of 20 cigarettes. Some states impose a higher tax rate on cigarettes weighing more than three pounds per thousand. In such cases, the rates shown in Table 6 are for packages of cigarettes weighing not more than three pounds per thousand, which is the most common type of package sold.

Table 7 presents a summary of excise tax rates on tobacco products for those states that impose a tax, including the District of Columbia. Table 8 summarizes the excise tax rates imposed on liquor for the 32 states (plus the District of Columbia) that license the sale of liquor by private individuals. [Tax rates for the 18 states that maintain a complete or partial government monopoly on the sale of liquor are not provided. Such states generate revenue from a variety of taxes, fees, and net liquor profits.] Many states have separate rates for wine, champagne, and other alcoholic beverages. In some cases, the tax imposed on liquor depends on the percentage of alcohol content by volume. In addition, a number of states impose an additional tax based on: (a) a percentage of the wholesale price; (b) a percentage of the retail price for on-premise and/or off-premise consumption; and (c) a charge per bottle or per volume sold. In all cases where such variation exists, Table 8 provides only the primary liquor tax rate.

Table 6: Cigarette Tax Rates by State as of January, 2007

State	Tax Per Pack	State	Tax Per Pack
New Jersey	\$2.575	Nevada	\$0.800
Rhode Island	2.460	New Hampshire	0.800
Washington	2.025	Kansas	0.790
Arizona	2.000	WISCONSIN	0.770
Maine	2.000	Utah	0.695
Michigan	2.000	Nebraska	0.640
Alaska ^a	1.800	Wyoming	0.600
Vermont ^b	1.790	Arkansas	0.590
Montana	1.700	Idaho	0.570
Hawaii ^c	1.600	Indiana	0.555
Massachusetts	1.510	Delaware	0.550
Connecticut	1.510	West Virginia	0.550
New York	1.500	South Dakota	0.530
Minnesota ^d	1.493	North Dakota	0.440
Texas	1.410	Alabama	0.425
Pennsylvania	1.350	Georgia	0.370
Ohio	1.250	Iowa	0.360
Oregon	1.180	Louisiana	0.360
Oklahoma	1.030	North Carolina	0.350
Maryland	1.000	Florida	0.339
District of Columbia	1.000	Virginia	0.300
Illinois	0.980	Kentucky	0.300
New Mexico	0.910	Tennessee	0.200
California	0.870	Mississippi	0.180
Colorado	0.840	Missouri	0.170
		South Carolina	0.070

^aRate increases to 2.00 per pack on July 1, 2007.

^bRate increases to \$1.99 per pack on July 1, 2008.

^cRate increase of \$0.20 will occur each year on September 20, through 2011. Tax rate shown is in effect through September 19, 2007.

^dRate includes \$0.263 per pack sales tax added to the wholesale price of a tax stamp.

Sources: Commerce Clearing House and State Tax Publications.

Table 7: Tobacco Products Tax Rates by State as of January, 2007

States That Impose Tax as a Percentage of the Price

State	Tax	State	Tax
Alaska	75.0% of wholesale price	Nebraska	20.0% of manuf. selling price
Arkansas	32.0% of manuf. selling price	Nevada	30.0% of wholesale price
California	46.76% of wholesale value	New Hampshire	19.0% of wholesale price
Colorado	40.0% of manuf. list price	New Mexico	25.0% of wholesale product value
Delaware	15.0% of wholesale price	New York	37.0% of wholesale price
District of Columbia	12.0% of retail gross receipts	North Carolina	3.0% of initial wholesale cost
Florida	25.0% of wholesale price	Ohio	17.0% of wholesale price
Hawaii	40.0% of wholesale price	Oregon	65.0% of wholesale price
Idaho	40.0% of wholesale price	South Carolina	5.0% of manuf. price
Illinois	18.0% of wholesale price	South Dakota	10.0% of wholesale price
Indiana	18.0% of wholesale price	Tennessee	6.6% of wholesale price
Kansas	10.0% of wholesale price	Utah	35.0% of manuf. selling price
Maryland	15.0% of wholesale price	Virginia	10.0% of manuf. selling price
Michigan	32.0% of wholesale price	Washington	75.0% of taxable sales price
Minnesota	70.0% of wholesale price	West Virginia	7.0% of wholesale price
Mississippi	15.0% of manuf. list price	WISCONSIN	25.0% of manuf. selling price
Missouri	10.0% of manuf. price	Wyoming	20.0% of wholesale price

States That Impose Tax That Differs by Product

State/Product	Range of Tax Rates	State/Product	Range of Tax Rates
Alabama		Montana	
Cigars	\$3.00/1,000 to \$40.50/1,000	Moist Snuff	85¢ per ounce
Little Cigars	4¢ per 10	All Other Tobacco	50% of wholesale price
Smoking Tobacco	Up to 6¢ per ounce		
Chewing Tobacco	1.5¢ per ounce	New Jersey	
Snuff	Up to 12¢ per ounce	Moist Snuff	75¢ per ounce
Arizona		All Other Tobacco	30.0% of wholesale price
Cigars	13¢ for 3 to 13¢ each	North Dakota	
Little Cigars	26.30¢ per 20	Cigars	28% of wholesale price
Smoking Tobacco	13.3¢ per ounce	Pipe Tobacco	28% of wholesale price
Chewing Tobacco	13.3¢ per ounce	Tobacco Products	28% of wholesale price
Plug Tobacco	3.30¢ per ounce	Snuff	60¢ per ounce
Georgia		Chewing Tobacco	16¢ per ounce
Cigars	23% of wholesale price	Oklahoma	
Little Cigars	2.5 mills each	Cigars	12¢ per cigar
Loose/Smokeless Tobacco	10% of wholesale price	Little Cigars	3.6¢ per cigar
Iowa		Smoking Tobacco	80% of factory list price
Little Cigars	1.8¢ per cigar	Chewing Tobacco	60% of factory list price
All other Tobacco	22.0% of wholesale price	Smokeless Tobacco	60% of factory list price
Kentucky		Snuff	60% of factory list price
Snuff	7.5% of wholesale price plus 9.5¢ per unit	Rhode Island	
All Other Tobacco	7.5% of wholesale price	Snuff	\$1.00 per ounce
Louisiana		All Other Tobacco	40% of wholesale cost
Cigars	8% to 20% of manuf. invoice price	Texas	
Smoking Tobacco	33% of invoice	Little Cigars	1¢ per each 10 cigars
Smokeless Tobacco	20% of invoice price	Cigars	\$7.50/1,000 to \$15/1,000
Maine		Smoking Tobacco	40% or factor list price
Chewing Tobacco	78% of wholesale price	Chewing Tobacco	40% of factory list price
Snuff	78% of wholesale price	Snuff	40% of factory list price
Cigars	20% of wholesale price	Vermont	
Smoking Tobacco	20% of wholesale price	Snuff*	\$1.49 per ounce
Massachusetts		All Other Tobacco	41% of wholesale price
Cigars	30% of wholesale price		
Loose Tobacco	30% of wholesale price		
Smokeless Tobacco	90% of wholesale price		

*Effective July 1, 2008, the tax on snuff increases to \$1.66/ounce.

Sources: Commerce Clearing House and State Tax Publications.

Table 8: Liquor Tax Rates for License States as of January, 2007

State	Tax Per Gallon	State	Tax Per Gallon	State	Tax Per Gallon
Alaska	\$12.80	Illinois	\$4.50	New Jersey	\$4.40
Arizona	3.00	Indiana	2.68	New Mexico	6.06
Arkansas	2.50	Kansas	2.50	New York	6.44
California	3.30	Kentucky	1.92	North Dakota	2.50
Colorado	2.28	Louisiana	2.50	Oklahoma	5.56
Connecticut	4.50	Maryland	1.50	Rhode Island	3.75
Delaware	5.46	Massachusetts	4.05	South Carolina	2.72
District of Columbia	1.50	Minnesota	5.03	South Dakota	3.93
Florida	6.50	Missouri	2.00	Tennessee	4.40
Georgia	3.79	Nebraska	3.75	Texas	2.40
Hawaii	5.98	Nevada	3.60	WISCONSIN	3.25

Sources: Commerce Clearing House and State Tax Publications.

Table 9 presents a summary of the excise tax rates levied in other states on the sale of beer. In addition to the rates shown, some states offer a reduced tax rate for beer sold by smaller breweries. In a number of states, the tax rate depends on the alcohol content of the beer. Also, some states impose an additional tax based on the wholesale or retail price or on a per unit basis, sometimes in

connection with the location of the sale. Table 9 provides only the primary tax rate on beer, both by the gallon and by the barrel. In cases where the rate per barrel varies with the barrel size and when, for purposes of this table, a state's tax per barrel was calculated from the state's tax per gallon, the per barrel rate shown in Table 9 is for a 31-gallon barrel.

Table 9: Beer Tax Rates by State as of November, 2006

State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel	State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel
Alabama	53.3¢	\$16.52	Missouri	6.0¢	\$1.86
Alaska	107.0	33.17	Montana	13.9	4.30
Arizona	16.0	4.96	Nebraska	31.0	9.61
Arkansas	23.4	7.27	Nevada	16.0	4.96
California	20.0	6.20	New Hampshire	30.0	9.30
Colorado	8.0	2.48	New Jersey	12.0	3.72
Connecticut	20.0	6.00	New Mexico	41.0	12.71
Delaware	15.6	4.85	New York	11.0	3.41
District of Columbia	9.0	2.79	North Carolina	53.1	16.46
Florida	48.0	14.88	North Dakota	8.0	2.48
Georgia	32.3	10.00	Ohio	18.0	5.58
Hawaii	93.0	28.83	Oklahoma	40.3	12.50
Idaho	15.0	4.65	Oregon	8.4	2.60
Illinois	18.5	5.74	Pennsylvania	8.0	2.48
Indiana	11.5	3.57	Rhode Island	9.7	3.00
Iowa	19.0	5.89	South Carolina	76.8	23.81
Kansas	18.0	5.58	South Dakota	27.4	8.50
Kentucky	8.1	2.50	Tennessee	13.8	4.29
Louisiana	32.3	10.00	Texas	19.4	6.00
Maine	35.0	10.85	Utah	41.3	12.80
Maryland	9.0	2.79	Vermont	26.5	8.22
Massachusetts	10.6	3.30	Virginia	25.7	7.95
Michigan	20.3	6.30	Washington	26.1	8.08
Minnesota	14.8	4.60	West Virginia	17.7	5.50
Mississippi	42.7	13.23	WISCONSIN	6.5	2.00
			Wyoming	1.9	0.59

Sources: Commerce Clearing House and State Tax Publications.