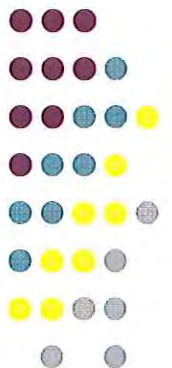




Alcohol and Tobacco Taxes

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Alcohol and Tobacco Taxes

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 intoxicating liquor (including wine, hard cider, 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 \$2.52 per pack, or 126 mills per cigarette, although for larger cigarettes (weighing more than three pounds per thousand) the tax rate is 252 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 0.7% 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 all 11 Native American tribes in Wisconsin through which Native American retailers purchase and sell only stamped (taxed) cigarettes to non-Native American purchasers. 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 eligible Native American tribal members (federal law prohibits states from imposing a cigarette tax on sales by Native Americans to Native Americans on reservations). Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of that tribe. 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 (1983 Act 27).

Since the cigarette tax was first imposed in 1939, at a general tax rate of 2¢ per pack, the cigarette tax rate has been raised 17 times to its current rate of \$2.52 per pack. The current rate was established in 2009 Act 28 (the 2009-11 biennial budget act), and became effective September 1, 2009. Changes in the cigarette tax rate are outlined in Table 1 below:

Table 1: Cigarette Tax Rates Per Pack

Effective Date	Tax Rate
September 20, 1939	\$0.02
July 21, 1949	0.03
July 1, 1955	0.04
July 1, 1957	0.05
September 1, 1961	0.06
August 15, 1963	0.08
August 1, 1965	0.10
September 1, 1969	0.14
November 5, 1971	0.16
August 1, 1981	0.20
May 1, 1982	0.25
September 1, 1987	0.30
May 1, 1992	0.38
September 1, 1995	0.44
November 1, 1997	0.59
October 1, 2001	0.77
January 1, 2008	1.77
September 1, 2009	2.52

Table 2 presents a summary of cigarette tax collections since 1999-00. Revenue "spikes" from the cigarette excise tax have been due to tax increases, rather than increased volume of sales. The 53.9% increase in revenues from the cigarette tax realized in state fiscal year 2007-08, for example, followed a \$1.00 increase in the tax rate that took effect on January 1, 2008. In contrast, the number of packs of cigarettes for which tax stamps were purchased in that year dropped by over 9%

Table 2: Cigarette Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
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
2006-07	296.13	-1.8	2.35
2007-08	455.72	53.9	3.49
2008-09	551.34	21.0	4.55
2009-10	644.27	16.9	5.31

from 2006-07. The same pattern holds for the revenue increases that were realized in fiscal years 2001-02, 2008-09, and 2009-10 -- while cigarette tax revenues increased, following a tax increase, taxable sales of cigarettes declined.

In years in which there has been no tax increase, there have been either moderate increases or decreases in cigarette tax revenues. In fiscal years 2005-06 and 2006-07, tax revenues increased by 2.4% and decreased by 1.8%, respectively, from the previous year. On a national level, according to data collected by the Alcohol and Tobacco Tax and Trade Bureau, domestic cigarette consumption is estimated to have declined annually by an average of 3.1% since 2000.

Tobacco manufacturers 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, 5¢ per pack on January 1, 2002, and 62¢ per pack on April 1, 2009, contributed to reduced cigarette consumption in the state. (The last increase brought the federal cigarette excise tax to \$50.33 per thousand, or \$1.0066 per pack.)

1997 Act 27 reduced the discount on stamp purchases for manufacturers and distributors from 2% to 1.6%. The discount was further reduced by 2007 Act 20 from 1.6% to 0.7%. 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 approximately the same level it was prior to these increases in the cigarette tax rate. No reduction to the discount rate was included with the 2009 Act 28 cigarette tax increase.

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. As of November 18, 2010, no direct marketers have registered under these provisions.

Tobacco Products Tax

The state imposes an excise tax on the sale of all tobacco products except cigarettes. The tobacco products tax is paid by distributors at rates of 100% of the manufacturer's list price for moist snuff and 71% of the manufacturer's list price for all other tobacco products, with a maximum tax of 50¢ per cigar. The tax rates were raised to their current levels on September 1, 2009, pursuant to 2009 Act 28. Act 28 also converted the tax on moist snuff from a weight-based tax to a price-based tax. The tax is paid on the basis of monthly returns filed with the Department of Revenue. Table 3 shows tobacco products tax collections since 1999-00.

The tax on tobacco products was converted from an occupational tax to an excise tax under 1999 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

Table 3: Tobacco Products Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
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
2006-07	17.52	6.7	0.14
2007-08	29.75	69.8	0.23
2008-09	42.24	42.0	0.35
2009-10	59.89	41.8	0.49

products taxes paid on sales to eligible tribal members on reservations and 50% of such taxes paid on sales to non-tribal members. The Department has entered into such agreements with eight out of the eleven Wisconsin tribes. Although the refund rates for sales to non-tribal members differ, the provisions for tobacco products tax refunds are comparable to those for cigarette tax refunds to the tribes.

The tax on tobacco products was established at 20% of the manufacturer's list price for all tobacco products in Chapter 20, Laws of 1981, effective October 1, 1981. Table 4 shows the historical increases to the tobacco products tax rates. Prior to 2007 Act 20, all tobacco products other than cigarettes were subject to the same tax rates. Act 20 created a separate tax rate for moist snuff and established a maximum tax per cigar. Between 1999-00 and 2009-10, collections ranged from \$10.3 million to \$59.9 million. Unlike 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 (except for sales of moist snuff from January 1, 2008, through September 1, 2009). Therefore, collections of the tobacco products tax increase over time as prices rise. The largest annual increases in revenues from the tax over this period, 22.7% in 2001-02, 69.8% in 2007-08, 42.0% in 2008-09, and 41.8% in 2009-10, reflect implementation of higher tax rates.

Table 4: Tobacco Products Tax Rates

Effective Date	Moist Snuff Tax Rate	Other Tobacco Products Tax Rate	Cigar Tax Rate
October 1, 1981	20% of the manuf. list price	20% of the manuf. list price	20% of the manuf. list price
October 1, 2001	25% of the manuf. list price	25% of the manuf. list price	25% of the manuf. list price
January 1, 2008	\$1.31 per ounce	50% of the manuf. list price	50% of the manuf. list price, but not more than 50¢ per cigar
September 1, 2009	100% of the manuf. list price	71% of the manuf. list price	71% of the manuf. list price but not more than 50¢ per cigar

Liquor, Wine, and Cider Taxes

The state imposes occupational taxes on the sale of liquor, wine, and fermented cider. As shown in Table 5, 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 5 summarizes the statutory rates per liter as well as the equivalent per gallon rates.

Table 5: 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.

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 and out-of-state direct shippers, 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 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 1999-00 is presented in Table 6.

Table 6: Liquor and Wine Tax Collections
(\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
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
2006-07	42.67	4.0	0.34
2007-08	45.17	5.8	0.35
2008-09	44.13	-2.3	0.36
2009-10	44.18	0.1	0.36

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, 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 7.

Table 7: Beer Tax Collections (\$ in Millions)

Fiscal Year	Amount	Percent Change From Prior Year	Percent of General Fund Tax Collections
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
2006-07	9.53	-2.4	0.08
2007-08	9.62	1.0	0.07
2008-09	9.91	3.0	0.08
2009-10	9.61	-3.0	0.08

Federal Taxes on Alcohol and Tobacco

The federal excise tax on cigarettes is currently \$1.0066 per pack. This rate took effect on April 1, 2009. Previous per-pack federal excise tax rates, and the periods during which those rates were in effect, are shown in Table 8.

Table 8: Federal Cigarette Tax Rates Since 1940

Effective Date	Tax Rate
July 1, 1940	\$0.065
November 1, 1942	0.07
November 1, 1951	0.08
January 1, 1983	0.16
January 1, 1991	0.20
January 1, 1993	0.24
January 1, 2000	0.34
January 1, 2002	0.39
April 1, 2009	1.0066

The current federal taxes on tobacco products are as follows:

Snuff	\$1.51 per pound
Chewing Tobacco	50.33¢ per pound
Pipe Tobacco	\$2.8311 per pound
Roll-Your-Own Tobacco	\$24.78 per pound
Cigarette Papers	3.15¢ for 50 papers
Cigarette Tubes	6.30¢ for 50 tubes
Small Cigars	\$50.33 per 1,000
Large Cigars	52.75% of the manufacturer's or importer's sales price, but not more than 40.26¢ per cigar

These rates took effect April 1, 2009, 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. A credit of 90¢ per gallon of wine or 5.6¢ per gallon of hard cider may be available for the first 100,000 gallons sold by a small winery producing not more than 150,000 gallons per year. Naturally sparkling champagne is excluded from this federal tax credit.

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 December, 2010.

Table 9 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 9 are for packages of cigarettes weighing not more than three pounds per thousand, which is the most common type of package sold.

Table 9: Cigarette Tax Rates by State as of December, 2010

State	Tax Per Pack	State	Tax Per Pack	State	Tax Per Pack
New York	\$4.350	New Mexico	\$1.660	Mississippi	\$0.680
Rhode Island	3.460	Pennsylvania	1.600	Nebraska	0.640
Washington	3.025	Delaware	1.600	Tennessee	0.620
Connecticut	3.000	Minnesota**	1.576	Wyoming	0.600
Hawaii*	3.000	South Dakota	1.530	Kentucky	0.600
New Jersey	2.700	Texas	1.410	Idaho	0.570
WISCONSIN	2.520	Iowa	1.360	South Carolina	0.570
Massachusetts	2.510	Florida	1.339	West Virginia	0.550
District of Columbia	2.500	Ohio	1.250	North Carolina	0.450
Vermont	2.240	Oregon	1.180	North Dakota	0.440
Alaska	2.000	Arkansas	1.150	Alabama	0.425
Arizona	2.000	Oklahoma	1.030	Georgia	0.370
Maine	2.000	Indiana	0.995	Louisiana	0.360
Maryland	2.000	Illinois	0.980	Virginia	0.300
Michigan	2.000	California	0.870	Missouri	0.170
New Hampshire	1.780	Colorado	0.840		
Montana	1.700	Nevada	0.800		
Utah	1.700	Kansas	0.790		

* Rate increase of \$0.20 will occur on July 1, 2011. Tax rate shown is in effect through June 30, 2011.

** Rate includes \$0.346 per pack sales tax added to the wholesale price of a tax stamp.

Sources: Commerce Clearing House and state tax publications.

Table 10 presents a summary of excise tax rates on tobacco products in other states, including the District of Columbia. As noted, Wisconsin caps its tax on cigars at 50¢ each. Other states also have caps on their cigar taxes, but these are not shown in Table 10. Table 11 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 consump-

tion; and (c) a charge per bottle or per volume sold. In all cases where such variation exists, Table 11 provides only the primary liquor tax rate.

Table 12 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 12 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 12 is for a 31-gallon barrel.

Table 10: Tobacco Products Tax Rates by State as of December, 2010

States That Impose Tax as a Percentage of the Price

State	Tax	State	Tax
Alaska	75.0% of wholesale price	Nevada	30.0% of wholesale price
California	33.02% of wholesale value	New Hampshire	65.03% of wholesale price
Colorado	40.0% of manuf. list price	New Mexico	25.0% of wholesale product value
Florida	85.0% of wholesale price	North Carolina	12.8% of cost price
Idaho	40.0% of wholesale price	Ohio	17.0% of wholesale price
Illinois	18.0% of wholesale price	South Carolina	5.0% of manuf. price
Kansas	10.0% of wholesale price	South Dakota	35.0% of wholesale price
Maryland	15.0% of wholesale price	Tennessee	6.6% of wholesale price
Michigan	32.0% of wholesale price	Virginia	10.0% of manuf. selling price
Minnesota	70.0% of wholesale price	West Virginia	7.0% of wholesale price
Mississippi	15.0% of manuf. list price		
Missouri	10.0% of manuf. invoice price		

Table 10: Tobacco Products Tax Rates by State as of December, 2010 (continued)

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	Nebraska	
Chewing Tobacco	1.5¢ per ounce	Snuff	44¢ per ounce
Snuff	Up to 12¢ per ounce	Other Tobacco	20.0% of manuf. selling price
Arizona		New Jersey	
Cigars	21.8¢ for 3 to 21.8¢ each	Moist Snuff	75¢ per ounce
Little Cigars	44.10¢ per 20	All Other Tobacco	30.0% of wholesale price
Plug Tobacco	5.50¢ per ounce	New York	
Other Tobacco	22.3¢ per ounce	Snuff	\$2.00 per ounce
Arkansas		Little Cigars	\$4.35 per pack of 20
Cigarette Papers	25¢ per 32 sheets	All Other Tobacco	75% of wholesale price
Other Tobacco	68% of manuf. selling price	North Dakota	
Connecticut		Cigars & Pipe Tobacco	28% of wholesale price
Snuff	55¢ per ounce	Snuff	60¢ per ounce
All Other Tobacco	27.5% of wholesale price	Chewing Tobacco	16¢ per ounce
Delaware		Oklahoma	
Moist Snuff	54¢ per ounce	Cigars	3.6¢ to 12¢ per cigar
All Other Tobacco	15% of wholesale price	Smoking Tobacco	80% of factory list price
District of Columbia		Snuff; Chewing and Smokeless Tobacco	60% of factory list price
Little Cigars	12.5¢ per cigar	Oregon	
Moist Snuff	30¢ per ounce	Moist Snuff	\$1.78 per ounce
All Other Tobacco	12.0% of retail gross receipts	All Other Tobacco	65.0% of wholesale price
Georgia		Pennsylvania	
Cigars	23% of wholesale price	Little Cigars	8¢ per cigar
Little Cigars	2.5 mills each	Rhode Island	
Loose/Smokeless Tobacco	10% of wholesale price	Snuff	\$1.00 per ounce
Hawaii		Little Cigars	17.3¢ per cigar
Little Cigars	15¢ per cigar	All Other Tobacco	80% of wholesale cost
Cigars	50% of wholesale price	Texas	
Other Tobacco	70% of wholesale price	Little Cigars	1¢ per each 10 cigars
Indiana		Cigars	\$7.50/1,000 to \$15/1,000
Cigarette Tubes	1¢ per 50 tubes	Smokeless Tobacco	\$1.13 per ounce
Cigarette Papers	0.5¢ per 100 papers	All Other Tobacco	40% of manuf. list price
Other Tobacco	24% of wholesale price	Utah	
Iowa		Moist Snuff	\$1.83 per ounce
Little Cigars	6.8¢ per cigar	All Other Tobacco	86% of manuf. sales price
Snuff	\$1.19 per ounce	Vermont	
All other Tobacco	50.0% of wholesale price	Snuff	\$1.66 per ounce
Kentucky		Other Smokeless Tobacco	\$1.87 per ounce
Snuff	19¢ per 1.5 ounces	Little Cigars	11.2¢ per cigar
All Other Tobacco	15% of wholesale price	Cigars	\$2 per cigar if >\$1.08, \$4 per cigar if >\$10
Louisiana		All Other Tobacco	92% of wholesale price
Cigars	8% to 20% of manuf. invoice price	Washington	
Smoking Tobacco	33% of invoice price	Moist Snuff	\$2.526 per unit of 1.2 ounces
Smokeless Tobacco	20% of invoice price	Little Cigars	15.125¢ per cigar
Maine		All Other Tobacco	95% of taxable sales price
Smokeless Tobacco	\$2.02 per ounce	WISCONSIN	
Smoking Tobacco	20% of wholesale sales price	Moist Snuff	100% of manuf. sales price
Massachusetts		All Other Tobacco	71% of manuf. sales price
Little Cigars	100.5 mills per cigar	Wyoming	
Smoking Tobacco	30% of wholesale price	Moist Snuff	60¢ per cigar
Smokeless Tobacco	90% of wholesale price	All Other Tobacco	20.0% of wholesale price

Sources: Commerce Clearing House, state tax publications, and state revenue websites.

Table 11: Liquor Tax Rates for License States as of December, 2010

State	Tax Per Gallon	State	Tax Per Gallon	State	Tax Per Gallon
Alaska	\$12.80	Tennessee	\$4.40	Indiana	\$2.68
Illinois	8.55	Massachusetts	4.05	Arkansas	2.50
Florida	6.50	South Dakota	3.93	Kansas	2.50
New York	6.44	Georgia	3.79	Louisiana	2.50
New Mexico	6.06	Nebraska	3.75	North Dakota	2.50
Hawaii	5.98	Rhode Island	3.75	Texas	2.40
Oklahoma	5.56	Nevada	3.60	Colorado	2.28
New Jersey	5.50	California	3.30	Missouri	2.00
Delaware	5.46	WISCONSIN	3.25	Kentucky	1.92
Minnesota	5.03	Arizona	3.00	District of Columbia	1.50
Connecticut	4.50	South Carolina	2.72	Maryland	1.50

Sources: Commerce Clearing House and state tax publications.

Table 12: Beer Tax Rates by State as of December, 2010

State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel	State	Tax in ¢ Per Gallon	Tax in \$ Per Barrel
Alaska	107.0¢	\$33.17	Iowa	19.0¢	\$5.89
Hawaii	93.0	28.83	Ohio	18.0	5.58
South Carolina	76.8	23.81	Kansas	18.0	5.58
North Carolina	61.7	19.13	West Virginia	17.7	5.50
Alabama	53.3	16.52	Nevada	16.0	4.96
Florida	48.0	14.88	Arizona	16.0	4.96
Mississippi	42.7	13.23	Delaware	15.6	4.85
Utah	41.3	12.80	Idaho	15.0	4.65
New Mexico	41.0	12.71	Minnesota	14.8	4.60
Oklahoma	40.3	12.50	New York	14.0	4.34
Maine	35.0	10.85	Montana	13.9	4.30
Louisiana	32.3	10.00	Tennessee	13.8	4.29
Georgia	32.3	10.00	New Jersey	12.0	3.72
Nebraska	31.0	9.61	Indiana	11.5	3.57
New Hampshire	30.0	9.30	Massachusetts	10.6	3.30
South Dakota	27.4	8.50	Rhode Island	9.7	3.00
Vermont	26.5	8.22	Maryland	9.0	2.79
Washington	26.1	8.08	District of Columbia	9.0	2.79
Virginia	25.7	7.95	Oregon	8.4	2.60
Arkansas	23.4	7.27	Kentucky	8.1	2.50
Illinois	23.1	7.16	Pennsylvania	8.0	2.48
Michigan	20.3	6.30	North Dakota	8.0	2.48
California	20.0	6.20	Colorado	8.0	2.48
Connecticut	20.0	6.00	WISCONSIN	6.5	2.00
Texas	19.4	6.00	Missouri	6.0	1.86
			Wyoming	1.9	0.59

Sources: Commerce Clearing House and state tax publications.