

TAXES

Table 7.9
STATE EXCISE TAX RATES
(As of January 1, 2003)

State or other jurisdiction	General sales and gross receipts tax (percent)	Cigarettes (cents per pack of 20)	Distilled spirits (\$ per gallon)	Motor fuel (cents per gallon)		
				Gasoline	Diesel	Gasohol
Alabama	4.0	16.5 (d)	(g)	18.0 (j)	19.0 (j)	18.0 (j)
Alaska	N.A.	100	\$5.60 (i)	8.0	8.0	...
Arizona	5.6	118	3.00	18.0 (l)	18.0 (l)	18.0 (l)
Arkansas	5.125	34 (e)	2.50 (i)	21.5	22.5	21.5
California	7.25 (r)	87	3.30 (i)	18.0 (u)	18.0 (u)	18.0 (u)
Colorado	2.9	20	2.28	22.0	20.5	22.0
Connecticut	6.0	111	4.50 (i)	25.0	26.0	24.0
Delaware	N.A.	24	3.75 (i)	23.0 (t)	22.0 (t)	23.0 (t)
Florida	6.0	33.9	6.50 (i)	13.9 (k)(u)	26.4 (k)(u)	13.9 (k)(u)
Georgia	4.0	12	3.79 (i)	7.5 (u)	7.5 (u)	7.5 (u)
Hawaii	4.0	120	5.92	16.0 (j)(u)	16.0 (j)(u)	16.0 (j)(u)
Idaho	5.0	28	(g)	26.0 (p)(u)	26.0 (p)(u)	23.5 (p)(u)
Illinois	6.25	98 (d)	4.50(i)	19.8 (j)(l)(u)	22.3 (l)(u)	19.8 (l)(u)
Indiana	5.0 (a)	55.5	2.68 (i)	15.0 (l)(u)	16.0 (l)(u)	15.0 (l)(u)
Iowa	5.0	36	(g)	20.0	22.5	19.0
Kansas	5.3 (b)	70 (s)	2.50 (i)	23.0 (q)	25.0 (q)	23.0 (q)
Kentucky	6.0	3 (e)	1.92 (h)(i)	16.4 (l)(m)(u)	13.4 (l)(m)(u)	16.4 (l)(m)(u)
Louisiana	4.0	24	2.50 (i)	20.0	20.0	20.0
Maine	5.0	100	(g)	22.0 (n)	23.0 (n)	22.0 (n)
Maryland	5.0	100	1.50	23.5	24.25	23.5
Massachusetts	5.0	151	4.05 (h)(i)	21.0	21.0	21.0
Michigan	6.0	125	(g)	19.0 (u)	15.0 (u)	19.0 (u)
Minnesota	6.5	48	5.03 (i)	20.0	20.0	20.0
Mississippi	7.0	18	(g)	18.4 (u)	18.4 (u)	18.4 (u)
Missouri	4.225	17 (d)	2.00	17.03 (u)	17.03 (u)	15.03 (u)
Montana .....	...	18	(g)	27.0	27.75	27.0
Nebraska	5.0 (c)	64	3.0	25.5 (n)	25.5 (n)	25.5 (n)
Nevada	6.5	35	2.05 (i)	24.0 (j)	27.0 (j)	24.0 (j)
New Hampshire .....	...	52	(g)	19.5 (u)	19.5 (u)	19.5 (u)
New Jersey	6.0	150	4.40	14.5 (u)	17.5 (u)	14.5 (u)
New Mexico	5.0	21	6.06	18.9 (q)	19.9 (q)	18.9 (q)
New York	4.0	150 (d)	6.44 (i)	22.6 (u)	20.85 (u)	22.6 (u)
North Carolina	4.5	5	(g)(h)	23.65 (m)(u)	23.65 (m)(u)	23.65 (m)(u)
North Dakota	5.0	44	2.50 (i)	21.0	21.0	21.0
Ohio	5.0	55	(g)	22.0 (u)	22.0 (u)	22.0 (u)
Oklahoma	4.5	23	5.56 (i)	17.0	14.0	17.0
Oregon .....	...	68	(g)	24.0 (j)	24.0 (j)	24.0 (j)
Pennsylvania	6.0	100	(g)	25.9	30.8	25.9
Rhode Island	7.0	132	3.75	31.0	31.0	31.0
South Carolina	5.0	7	2.72 (i)	16.0	16.0	16.0
South Dakota	4.0	33	3.93 (i)	22.0 (j)	22.0 (j)	20.0 (j)
Tennessee	7.0	20 (d)(e)	4.40 (i)	21.4 (j)	18.4 (j)	21.4 (j)
Texas	6.25	41	2.40 (i)	20.0	20.0	20.0
Utah	4.75	69.5	(g)	24.5	24.5	24.5
Vermont	5.0	93	(f)(g)	20.0	26.0	20.0
Virginia	4.5 (r)	2.5 (d)	(g)	17.5 (j)(o)	16.0 (j)(o)	17.5 (j)(o)
Washington	6.5	142.5	(g)(h)	23.0	23.0	23.0
West Virginia	6.0	17	(g)	25.35	25.35	25.35
Wisconsin	5.0	77	3.25	28.1 (n)	28.1 (n)	28.1 (n)
Wyoming	4.0	12	(g)	14.0 (u)	14.0 (u)	14.0 (u)
Dist. of Columbia	5.75	65	1.50 (i)	20.0	20.0	20.0

See footnotes at end of table.

STATE EXCISE TAX RATES — Continued

Source: Compiled by The Federation of Tax Administrators from various sources, January 2003.

Key:

- ... — Tax is not applicable.
- (a) Utilities are not permitted to take discount.
- (b) Tax rate is scheduled to decrease to 5.2 percent on July 1, 2004.
- (c) Tax rate is scheduled to decrease to 5 percent on October 1, 2003.
- (d) Counties and cities may impose an additional tax on a pack of cigarettes in Alabama, 1-6 cents; Illinois, 10-15 cents; Missouri, 4-7 cents; New York City, \$1.50; Tennessee, 1 cent; and Virginia, 2-15 cents.
- (e) Dealers pay an additional enforcement and administrative fee of 0.1 cents per pack in Kentucky and 0.05 cents in Tennessee. In Arkansas, a fee of \$1.25/1,000 cigarette fee is imposed.
- (f) 10 percent on-premise sales tax.
- (g) In 18 states, the government directly controls the sales of distilled spirits. Revenue in these states is generated from various taxes, fees and net liquor profits.
 - (h) Sales tax is applied to on-premise sales only.
 - (i) Other taxes in addition to excise taxes for the following states: Alaska, under 21 percent - \$0.85/gallon; Arkansas, under 5 percent - \$0.50/gallon, under 21 percent - \$1.00/gallon, \$0.20/case and 3 percent off - 14 percent on-premise retail taxes; California, over 50 percent - \$6.60/gallon; Connecticut, under 7 percent - \$2.05/gallon; Delaware, under 25 percent - \$2.50/gallon; Florida, under 17.259 percent - \$2.25/gallon, over 55.780 percent - \$9.53/gallon, 6.67cents/ounce on-premise retail tax; Georgia, \$0.83/gallon local tax; Illinois, under 20 percent - \$0.73/gallon, \$0.50/gallon in Chicago and \$1.00/gallon in Cook County; Indiana, under 15 percent - \$0.47/gallon; Kansas, 8 percent off - and 10 percent on-premise retail tax; Kentucky, under 6 percent - \$0.25/gallon, \$0.05/case and 9 percent wholesale tax; Louisiana, under 6 percent - \$0.32/gallon; Massachusetts, under 15 percent - \$1.10/gallon, over 50 percent alcohol - \$4.05/proof gallon, 0.57 percent on private club sales; Minnesota, \$0.01/bottle (except miniatures) and 9 percent sales tax; Nevada, under 14 percent - \$0.40/gallon and under 21 percent - \$0.75/gallon; New York, under 24 percent - \$2.54/gallon, \$1.00/gallon New York City; North Dakota, 7 percent state sales tax; Oklahoma, \$1.00/bottle on-premise and 12 percent on-premise; South Carolina, \$5.36/case and 9 percent surtax; South Dakota, under 14 percent - \$0.93/gallon, 2 percent wholesale tax; Tennessee, \$0.15/case and 15 percent on-premise, under 7 percent - \$1.21/gallon; Texas, 14 percent on-premise and \$0.05/drink on airline sales; and District of Columbia, 8 percent off- and 10 percent on-premise sales tax.
- (j) Tax rates do not include local option taxes. In Alabama, 1-3 cents and inspection fee; Hawaii, 8-11.5 cents; Illinois, 5 cents in Chicago and 6 cents in Cook County (gasoline only); Nevada 1.75 to 7.75 cents; Oregon, 1-3 cents; South Dakota, 1 cent; Tennessee, 1 cent; and Virginia, 2 percent.
- (k) Local taxes for gasoline and gasohol vary from 5.5 cents to 17 cents (average is 13.4 cents). Plus a 2.07 cents/gallon pollution tax.
- (l) Carriers pay an additional surcharge equal to Arizona, 8 cents; Illinois, 6.3 cents (gasoline) and 6.0 cents (diesel); Indiana, 11 cents; Kentucky, 2 percent (gasoline) and 4.7 percent (diesel).
- (m) Tax rate is based on the average wholesale price and is adjusted quarterly. The actual rates are: Kentucky, 9 percent; and North Carolina, 17.5 cents plus 7 percent.
- (n) A portion of the rate is adjustable based on maintenance costs, sales volume, or cost of fuel to state government.
- (o) Large trucks pay an additional 3.5 cents.
- (p) Tax rate is reduced by the percentage of ethanol used in blending (reported rate assumes the maximum 10 percent ethanol).
- (q) Effective July 1, 2003, rate increase in Kansas, 24 cents (gasoline/gasohol), 26 cents (diesel); New Mexico decreases to 16 cents (gasoline/gasohol).
- (r) Includes statewide local tax of 1.25 percent in California and 1.0 percent in Virginia.
- (s) Tax rate is scheduled to increase to 79 cents on July 1, 2003.
- (t) Plus 0.5 percent GRT/5.
- (u) Other taxes and fees: California-sales tax applicable; Florida- sales tax added to excise; Georgia- 3 percent sales tax applicable; Idaho- clean water tax; Illinois- sales tax applicable and environmental fee; Indiana- sales tax applicable; Kentucky- environmental fee; Michigan- sales tax applicable; Mississippi- environmental fee; Missouri- inspection fee; Nebraska- petroleum fee; New Hampshire- oil discharge cleanup fee; New Jersey- petroleum fee; New Mexico- Petroleum loading fee; New York- sales tax applicable; North Carolina- Inspection tax; Ohio- plus 3 cents commercial; Oklahoma- environmental fee; Pennsylvania- oil franchise tax; Rhode Island- leaking underground storage tank tax (LUST); Tennessee- petroleum tax and environmental fee; Vermont- petroleum cleanup fee; Washington- \$0.5 percent privilege tax; West Virginia- sales tax added to excise; Wyoming- license tax.