

TABLE 7. TOBACCO PRODUCTS TAX NET COLLECTIONS

[G.S. 105 ARTICLE 2A.]

Fiscal year	Cigarette tax net collections [\$]	Other tobacco products tax net collections ^b [\$]	Total tobacco products net collections [\$]	Payments to local governments** [\$]	Collection fees on overdue tax debts [\$]	Amount to General Fund [\$]	Year-over-year % change		
							Cigarette tax net collections	Other tobacco products tax net collections	Amount to General Fund
1988-89.....	15,684,152	-----	15,684,152	7,731,752	-----	7,952,400	-3.3%	-----	-6.3%
1989-90.....	15,315,186	-----	15,315,186	-----	-----	15,315,186	-2.4%	-----	92.6%
1990-91.....	15,190,478	-----	15,190,478	-----	-----	15,190,478	-0.8%	-----	-0.8%
1991-92.....	39,566,666 ^a	796,241	40,362,907	-----	-----	40,362,907	160.5%	100.0%	165.7%
1992-93.....	40,931,883	1,949,018	42,880,901	-----	-----	42,880,901	3.5%	144.8%	6.2%
1993-94.....	35,837,482 ^c	2,087,574	37,925,056	-----	-----	37,925,056	-12.4%	7.1%	-11.6%
1994-95.....	42,409,849	2,225,901	44,635,750	-----	-----	44,635,750	18.3%	6.6%	17.7%
1995-96.....	44,231,102	2,466,634	46,697,736	-----	-----	46,697,736	4.3%	10.8%	4.6%
1996-97.....	44,011,104	2,666,245	46,677,349	-----	-----	46,677,349	-0.5%	8.1%	0.0%
1997-98.....	44,278,780	2,898,438	47,177,218	-----	-----	47,177,218	0.6%	8.7%	1.1%
1998-99.....	41,816,556	3,035,986	44,852,542	-----	-----	44,852,542	-5.6%	4.7%	-4.9%
1999-00.....	40,459,942	3,203,263	43,663,205	-----	-----	43,663,205	-3.2%	5.5%	-2.7%
2000-01.....	38,506,012	3,519,866	42,025,877	-----	-----	42,025,877	-4.8%	9.9%	-3.7%
2001-02.....	38,329,738	3,201,609	41,531,347	-----	-----	41,531,347	-0.5%	-9.0%	-1.2%
2002-03.....	38,430,687	3,569,204	41,999,891	-----	1,178	41,998,713	0.3%	11.5%	1.1%

Detail may not add to totals due to rounding.

**For fiscal years 1982-83 through 1988-89, local governments were reimbursed from cigarette tax collections to help replace property tax revenue lost by the granting of the homestead exemption to the elderly and/or permanently disabled. Beginning in fiscal year 1988-89, this reimbursement was paid from an appropriation. The final reimbursement paid to local governments was issued in May 2001. Executive Order #19, February 5, 2002, rescinded the reimbursement to local governments scheduled for May 2002, instead placing the \$7,890,753 appropriation into a Special Reserve Fund due to the budgetary situation.

The 2002 General Assembly repealed the reimbursement provision effective for tax years beginning on and after **July 1, 2002**.

^aEffective **August 1, 1991**, the cigarette excise tax rate increased from 1 mill per cigarette (2 cents per pack of 20 cigarettes) to 2.5 mills per cigarette (5 cents per pack of 20 cigarettes).

^bEffective **January 1, 1992**, tobacco products (other than cigarettes) became subject to a tax of 2% of the cost price of the product.

^cEffective **January 1, 1994**, cigarette excise tax law changed from a stamp method of payment based on packs purchased to a reporting method based on sales. Concurrent with the change in the payment method was a reduction in the amount of discount allowed to taxpayers.

Figure 7.1 Tobacco Products Tax Net Collections by Type

