

TABLE 8. TOBACCO PRODUCTS TAX COLLECTIONS
[G.S. 105 ARTICLE 2A.]

Fiscal year	Tobacco products tax: cigarette, other tobacco products						Year-over-year % change		
	Gross collections [\$]	Refunds [\$]	Net collections [before transfers]		Collection fees on overdue tax debts [\$]	Collections to General Fund [\$]	Net collections		Amount to General Fund ^a
			Cigarette tax [\$]	Other tobacco products tax ^b [\$]			Cigarette tax	Other tobacco products tax	
1990-91..	15,228,099	37,622	15,190,478	-	-	15,190,478	-0.8%	-	-0.8%
1991-92..	40,395,661	32,755	39,566,666	796,241 ^a	-	40,362,907	160.5%	-	165.7%
1992-93..	42,917,896	36,995	40,931,883	1,949,018	-	42,880,901	3.5%	144.8%	6.2%
1993-94..	38,202,307	277,251	35,837,482	2,087,574 ^c	-	37,925,056	-12.4%	7.1%	-11.6%
1994-95..	44,793,990	158,239	42,409,849	2,225,901	-	44,635,750	18.3%	6.6%	17.7%
1995-96..	46,866,806	169,070	44,231,102	2,466,634	-	46,697,736	4.3%	10.8%	4.6%
1996-97..	46,691,280	13,931	44,011,104	2,666,245	-	46,677,349	-0.5%	8.1%	0.0%
1997-98..	47,204,135	26,917	44,278,780	2,898,438	-	47,177,218	0.6%	8.7%	1.1%
1998-99..	44,919,034	66,492	41,816,556	3,035,986	-	44,852,542	-5.6%	4.7%	-4.9%
1999-00..	43,957,805	294,600	40,459,942	3,203,263	-	43,663,205	-3.2%	5.5%	-2.7%
2000-01..	42,280,129	254,252	38,506,012	3,519,866	-	42,025,877	-4.8%	9.9%	-3.7%
2001-02..	42,227,886	696,539	38,329,738	3,201,609	-	41,531,347	-0.5%	-9.0%	-1.2%
2002-03..	42,332,928	333,038	38,430,687	3,569,204	1,178	41,998,713	0.3%	11.5%	1.1%
2003-04..	44,118,406	383,633	39,810,915	3,923,858	2,004	43,732,769	3.6%	9.9%	4.1%
2004-05..	43,384,992	403,183	38,953,476	4,028,334	765	42,981,044	-2.2%	2.7%	-1.7%

^a Effective **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). [Effective **September 1, 2005**, the cigarette tax rate increased from 2.5 mills per cigarette (5 cents per pack of 20 cigarettes) to 1.5 cents per cigarette (30 cents per pack of 20 cigarettes). Effective **July 1, 2006**, the cigarette tax rate is scheduled to increase from 1.5 cents per cigarette to 1.75 cents per cigarette (35 cents per pack of 20 cigarettes).]

^b Effective **January 1, 1992**, tobacco products (other than cigarettes) became subject to a tax of 2% of the cost price of the product. [Effective **September 1, 2005**, the 2% rate increased to 3%.]

^c Effective **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.

Cigarette tax/other tobacco products tax discount:
Effective for reporting periods beginning on or after **August 1, 2004**, G.S. 105-113.21 and G.S. 105-113.39 were reenacted to reinstate a discount to wholesalers or importers who both timely file the monthly tobacco tax report and timely pay the tax due. The discount is 2%. [The discount under prior law was 4% and had been repealed effective for reporting periods beginning on or after **August 1, 2003**.]

Detail may not add to totals due to rounding.

Figure 8.1 Tobacco Products Tax Net Collections by Type

