

# Tobacco Products

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RCW

Chapter 82.26

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## Tax Base

Tobacco products subject to the tax are:

- cigars,
- pipe tobacco,
- chewing tobacco, and
- all other forms of tobacco except for cigarettes.

The tax is imposed at the time a distributor:

- imports taxable products,
- manufactures such products within the state,
- distributes the products to a retailer, or
- first handles such products in Washington.

The tax applies only to the first such taxable activity that occurs within the state.

Retail sales and business and occupation taxes apply to the total retail price, which includes the tobacco products tax.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

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## Tax Rate

Tax rates depend on the type of product. The rates are:

Tobacco Product	Tax Rate
Moist snuff in packages of 1.2 ounces or less	The greater of \$2.526 per package, or 83.5% of the tax on a pack of 20 cigarettes
Moist snuff in packages larger than 1.2 ounces	The same tax per ounce as for packages of 1.2 ounces or less
Little cigars; similar to cigarettes, but generally a little larger; defined by their cellulose acetate integrated filters	Must be the same rate as the cigarette tax, currently \$3.025 per pack of 20 cigarettes
Other cigars	95% of taxable value not to exceed 65 cents per cigar
All other tobacco products	95% of taxable value

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Recent Collections (\$000)	Fiscal Year	Collections	% Change	% of All State Taxes
	2016	\$51,641	11.0%	0.3%
	2015	\$46,517	0.1%	0.3%
	2014	\$46,469	7.2%	0.3%
	2013	\$43,337	-6.9%	0.3%
	2012	\$46,569	0.4%	0.3%
	2011	\$46,392	39.0%	0.3%
	2010	\$33,372	10.2%	0.2%
	2009	\$30,278	-449.3%	0.2%
	2008	-\$8,669	-141.2%	--
	2007	\$21,019	-21.0%	0.1%

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**Distribution of Receipts**

All receipts from this tax are deposited into the State General Fund.

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**Levied by**

State

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**Administration**

Department of Revenue is responsible for enforcement.

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The tax is reported on the Combined Excise Tax Return by wholesalers or distributors of tobacco products.

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**History**

- 2010 The tax rate increased from 75 percent of taxable value to the range of rates in the above schedule.
- 2009 All tax receipts were restored to the State General Fund ending 27 years of diversions to other accounts.
- 2005 The tax rate was reduced to 75 percent of a redefined taxable value and regulatory changes were made to reduce tax evasion.
- 2002 Initiative 733 passed in November 2001. Effective January 1, 2002, the tobacco products tax rate increased from 74.9 percent of wholesale value to 129.42 percent. The additional revenues were dedicated to health services.

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- 1993 An additional 10 percent tax was added for healthcare.
  - 1986 An additional 16.75 percent tax for water quality was added.
  - 1982 Surtaxes of 4 percent added in May and 3 percent added in August.
  - 1971 Tax rate increased to 45 percent.
  - 1965 Tax rate increased to 30 percent.
  - 1959 Tax established with a rate of 25 percent of wholesale value with all receipts directed to the State General Fund.
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