

State E-Cigarette Taxes

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Issue

Which states tax e-cigarettes? This report updates OLR report [2017-R-0265](#).

Jurisdiction Taxing E-Cigarettes

Nine states and the District of Columbia currently impose a tax on e-cigarettes. Table 1 lists each jurisdiction's tax rate and base. As the table shows, the jurisdictions either tax e-cigarettes at a percentage of their wholesale price or at a flat rate per milliliter of liquid solution.

Among the four jurisdictions imposing a tax based on wholesale price, Minnesota imposes the highest rate (95%) and Pennsylvania imposes the lowest (40%). New Jersey has the highest per milliliter tax (\$0.10/ml) while Delaware, Kansas, Louisiana, and North Carolina have the lowest (\$0.05/ml).

In addition to these jurisdictions, several local governments also impose a tax on e-cigarettes, including Chicago, Illinois (\$0.80 per unit plus \$0.55/ml); Cook County, Illinois (\$0.20/ml); Montgomery County, Maryland (30% of wholesale price); Juneau, Northwest Arctic Borough, and Petersburg, Alaska (45% of wholesale price); and Mat-Su Valley, Alaska (55% of wholesale price) ([How High Are Vapor Excise Taxes in Your State?](#), Tax Foundation, January 1, 2018).

Table 1: E-Cigarette Taxes

<i>Jurisdiction</i>	<i>Rate and Base</i>
California	62.78% of wholesale price
Delaware	\$0.05 per milliliter
D.C.	90% of wholesale price
Kansas	\$0.05 per milliliter
Louisiana	\$0.05 per milliliter
Minnesota	95% of the wholesale price
New Jersey	\$0.10 per milliliter
North Carolina	\$0.05 per milliliter
Pennsylvania	40% of wholesale price
West Virginia	\$0.075 per milliliter

Source: CCH *State Tax Guide*, Public Health Law Center (PHLC) December 2018 [report](#), tax department websites

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