

State Sales, Gasoline, Cigarette, and Alcohol Taxes

As of July 1, 2009

2009's noteworthy changes in bold

	Sales Tax (a)	Gas Tax (Per Gallon) (k, l)	Cigarette Tax (Per Pack)	Spirits Tax (Per Gallon)	Table Wine Tax (Per Gallon)	Beer Tax (Per Gallon)
Alabama	4%	\$0.209	\$0.425	\$18.78 (n)	\$1.70	\$1.05 (u)
Alaska	none	\$0.08 (f)	\$2.00	\$12.80	\$2.50	\$1.07
Arizona	5.6% (b)	\$0.19	\$2.00	\$3.00	\$0.84	\$0.16
Arkansas	6%	\$0.218	\$1.15	\$2.58	\$0.77	\$0.21
California	8.25% (w)	\$0.399	\$0.87	\$3.30	\$0.20	\$0.20
Colorado	2.9%	\$0.22	\$0.84	\$2.28	\$0.28	\$0.08
Connecticut	6%	\$0.364	\$2.00	\$4.50	\$0.60	\$0.20
Delaware	2.07% (c)	\$0.23	\$1.15	\$3.75	\$0.97	\$0.16
Florida	6%	\$0.345	\$1.339	\$6.50	\$2.25	\$0.48
Georgia	4%	\$0.124	\$0.37	\$3.79	\$1.51	\$1.01 (v)
Hawaii	4% (d)	\$0.336	\$2.60 (m)	\$5.98	\$1.38	\$0.93
Idaho	6%	\$0.25	\$0.57	\$10.96 (n)	\$0.45	\$0.15
Illinois	6.25%	\$0.338	\$0.98	\$8.55	\$0.73	\$0.185
Indiana	7%	\$0.297	\$0.995	\$2.68	\$0.47	\$0.115
Iowa	6%	\$0.22	\$1.36	\$12.47 (n)	\$1.75	\$0.19
Kansas	5.3%	\$0.25	\$0.79	\$2.50	\$0.30	\$0.18
Kentucky	6% (e)	\$0.225	\$0.60	\$6.46 (o)	\$0.50 (o)	\$0.08 (o)
Louisiana	4%	\$0.20	\$0.36	\$2.50	\$0.11	\$0.32
Maine	5%	\$0.299	\$2.00	\$5.21 (n)	\$0.60	\$0.35
Maryland	6%	\$0.235	\$2.00	\$1.50	\$0.40	\$0.09
Massachusetts	6.25%	\$0.235	\$2.51	\$4.05	\$0.55	\$0.11
Michigan	6%	\$0.309	\$2.00	\$10.91 (n)	\$0.51	\$0.20
Minnesota	6.875%	\$0.256	\$1.504	\$5.08	\$0.30	\$0.15
Mississippi	7%	\$0.188	\$0.68	\$6.75 (n)	\$0.427	\$0.427
Missouri	4.225%	\$0.173	\$0.17	\$2.00	\$0.42	\$0.06
Montana	none	\$0.278	\$1.70	\$8.62 (n)	\$1.06	\$0.14
Nebraska	5.5%	\$0.273	\$0.64	\$3.75	\$0.95	\$0.31
Nevada	6.85%	\$0.331	\$0.80	\$3.60	\$0.70	\$0.16
New Hampshire	none	\$0.196	\$1.78	(q)	(p)	\$0.30
New Jersey	7%	\$0.145	\$2.70	\$5.50	\$0.875	\$0.12
New Mexico	5.375% (g)	\$0.188	\$0.91	\$6.06	\$1.70	\$0.41
New York	4%	\$0.425	\$2.75	\$6.44	\$0.30	\$0.14
N. Carolina	4.5%	\$0.302	\$0.35	\$13.39 (n)	\$0.79	\$0.53
N. Dakota	5%	\$0.23	\$0.44	\$2.50	\$0.50	\$0.16
Ohio	5.5% (h)	\$0.28	\$1.25	\$9.04 (n)	\$0.32	\$0.18
Oklahoma	4.5%	\$0.17	\$1.03	\$5.56	\$0.72	\$0.40
Oregon	none	\$0.25	\$1.18	\$24.63 (n)	\$0.67	\$0.0839
Pennsylvania	6%	\$0.323	\$1.35	\$6.54 (n)	(p)	\$0.08
Rhode Island	7%	\$0.31	\$3.46	\$3.75	\$0.60	\$0.11
S. Carolina	6%	\$0.168	\$0.07	\$4.97 (t)	\$1.08	\$0.77
S. Dakota	4%	\$0.24	\$1.53	\$3.93 (s)	\$0.93 (s)	\$0.27
Tennessee	7%	\$0.214	\$0.62	\$4.46	\$1.21	\$0.14 (r)
Texas	6.25% (i)	\$0.20	\$1.41	\$2.40	\$0.204	\$0.20
Utah	5.95% (w)	\$0.245	\$0.695	\$11.41 (n)	(p)	\$0.41
Vermont	6%	\$0.20	\$2.24	\$0.68 (n)	\$0.55	\$0.265
Virginia	5% (w)	\$0.191	\$0.30	\$20.13 (n)	\$1.51	\$0.2565
Washington	6.5% (j)	\$0.375	\$2.025	\$26.45 (n)	\$0.87	\$0.26
West Virginia	6%	\$0.322	\$0.55	\$1.85 (n)	\$1.00	\$0.18
Wisconsin	5%	\$0.329	\$2.52	\$3.25	\$0.25	\$0.06
Wyoming	4%	\$0.14	\$0.60	(q)	(p)	\$0.019
D.C.	5.75%	\$0.20	\$2.00	\$1.50	\$0.30	\$0.09

- (a) In addition to sales taxes some states levy gross receipts taxes (GRTs). GRTs are collected at the firm level instead of at retail, and apply to a broad range of intermediate goods, unlike sales taxes which in principle should apply only to end products. Some states levy only a GRT, and some levy both a GRT and a sales tax.
- (b) Arizona has no sales tax but does have a 5.6% GRT called the transaction privilege tax.
- (c) Delaware has no sales tax but does have a GRT. Business and occupational gross receipts tax rates range from 0.104% to 2.07%, depending on the business activity.
- (d) Hawaii has no sales tax but does have a GRT. The rate varies depending on the business activity; it is 0.15% on insurance commissions, 0.5% on certain activities such as wholesaling, and 4% on most activities at the consumer level.
- (e) Kentucky has a GRT called the limited liability entity tax (LLET) in addition to its 6% sales tax. Corporations pay the LLET, which is the lesser of 0.095% of gross receipts or 0.75% of gross profits. The tax phases in between \$3 million and \$6 million of gross receipts or profits. Minimum tax \$175.
- (f) Alaska's 8 cents per gallon tax is suspended from 9/1/08 through 8/31/09.
- (g) New Mexico has no sales tax but does have a GRT. The rate varies by municipality, with a minimum of 5.375%.
- (h) Ohio has a GRT that is levied in addition to its 5.5% sales tax. It is called the commercial activity tax (CAT), and it is being phased in to replace Ohio's Corporate Franchise Tax. Firms with receipts over \$1 million pay the CAT; firms with receipts between \$150K and \$1 million pay a minimum tax of \$150. The rate from April 2008 through March 2009 is 0.208% and will increase to the final rate of 0.26% on 4/1/2009.
- (i) Texas has a GRT that is levied in addition to its 6.25% sales tax. It is called the franchise tax and the rate is 1% (.5% for retailers).
- (j) Washington has a GRT in addition to its 6.5% sales tax. It is called the business and occupation Tax and is levied at various rates. The major rates are 0.471% for retail sales, 0.484% for wholesale and manufacturing, and 1.5% for service and other activities.
- (k) In addition to the 18.4 cpg Federal gasoline tax.
- (l) The American Petroleum Institute has developed a methodology for determining the average tax rate on a gallon of fuel. Rates may include any of the following: excise taxes, environmental fees, storage tank fees, other fees or taxes, general sales tax, and local taxes. In states where gasoline is subject to the general sales tax, or where the fuel tax is based on the average sale price, the average rate determined by API is sensitive to changes in the price of gasoline. States that fully or partially apply general sales taxes to gasoline: CA, CO, GA, IL, IN, MI, NY. Rates shown are as of April 3, 2009.
- (m) Hawaii's cigarette excise tax will increase to \$2.80 on July 1, 2010 and \$3.00 on July 1, 2011.
- (n) States where the state government controls all sales. The implied excise tax rate is calculated using methodology designed by the Distilled Spirits Council of the United States (DISCUS).
- (o) There is an additional 11% wholesale sales tax on all alcoholic beverages.
- (p) All wine sales are through state-run stores. Revenue in these states is generated from various taxes, fees and net profits.
- (q) Control state where the implied excise tax rate as calculated by DISCUS is less than zero.
- (r) There is an additional 17% wholesale tax on beer.
- (s) There is an additional 2% wholesale tax on wine and spirits.
- (t) Includes a wholesale tax of \$5.36 per case.
- (u) Includes a local rate of \$0.52 per gallon statewide.
- (v) Includes a local rate of \$0.53 per gallon statewide.
- (w) California and Virginia rates each include a 1% statewide local sales tax rate. Utah rate includes a 1.25% statewide local sales tax rate.

Sources: American Petroleum Institute, state revenue departments, Distilled Spirits Council of the U.S., Commerce Clearing House, and Tax Foundation.

Tax Foundation
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