CIGARETTE AND E-LIQUID EXCISE TAXES

North Carolina’s cigarette excise tax ranks 48th in the country and our e-liquid excise tax is even lower.

AN EVIDENCE-BASED STRATEGY

North Carolina is ranked 48th in the U.S. for its cigarette tax of 45 cents per pack, compared to the national average of $1.81. This hasn’t been raised in more than a decade.

Our e-liquid excise tax is only $0.05 per milliliter. That means one Juul pod, which has as much nicotine as an entire pack of cigarettes, is taxed at only $0.04.

Increases in the tobacco excise tax result in decreases in tobacco use, particularly among young people. We need to increase the cigarette excise tax and the e-liquid excise tax to protect the lives and health of North Carolinians.

A RELIABLE SOURCE OF REVENUE

Tobacco excise taxes are a reliable source of income for North Carolina, while reducing healthcare costs and protecting health. NC currently receives $450 million in tobacco taxes and Master Settlement Agreement Payments. A modest increase in the tobacco tax and raising the e-liquid tax in parallel can provide vital additional revenue to the state while saving lives.

- Raising the cigarette excise tax by only $1 per pack would raise $373.11 million in new revenue.
- Raising the e-liquid excise tax to parallel that $1 increase would raise an additional $48.6 million, for a total of $421.71 in new state revenue.
- A tobacco tax increase of $1 is projected to reduce youth tobacco use by 10.5%, saving 23,600 young people from becoming adult tobacco users.
- 41,700 adult tobacco users would quit.
- We would save $1.36 billion in healthcare costs.

WHERE WE STAND

<table>
<thead>
<tr>
<th>$0.45</th>
<th>48th</th>
</tr>
</thead>
<tbody>
<tr>
<td>per pack of cigarettes</td>
<td>lowest tax</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$400M</th>
<th>$373M</th>
</tr>
</thead>
<tbody>
<tr>
<td>in existing revenue from current tobacco taxes</td>
<td>in new revenue from a cigarette tax increase of $1</td>
</tr>
</tbody>
</table>

For more information visit www.ncallianceforhealth.org