

Tobacco Products Tax

RCW Chapter 82.26

Tax Base The sale, handling, or distribution of tobacco products. The tax applies to the first taxable activity occurring in Washington. and is a percentage of the selling price, by item, or by weight.

Tobacco products subject to the tax:

- Cigars.
- Pipe tobacco.
- Chewing tobacco.
- All other forms of tobacco, except for cigarettes.

This tax is in addition to the state and local retail sales, use, business and occupation, and litter taxes that may apply.

Tax exemptions may reduce these taxes.

For more information, refer to the [Tax Exemption Study](#).

Tax Rate Tobacco products tax rates:

Tobacco Product	Tax Rate
Moist snuff, for cans with net weight of 1.2 ounces or less	\$2.526 per can
Moist snuff, for cans with net weight greater than 1.2 ounces	\$2.105 per ounce
Cigars (except little cigars)	95% of taxable sales price, not to exceed \$0.65 per cigar
Little cigars (cigars that have a cellulose acetate integrated filter)	\$0.15125 per stick (\$3.025 per pack of 20)
All other tobacco products	95% of taxable sales price

Tobacco Products Tax

Recent Collections (\$000)

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$51,679	-2.6%	0.2%
2020	\$53,061	-13.0%	0.2%
2019	\$61,011	6.8%	0.2%
2018	\$57,110	8.9%	0.2%
2017	\$52,437	1.5%	0.2%
2016	\$51,641	11.0%	0.3%
2015	\$46,517	0.1%	0.2%
2014	\$46,469	7.2%	0.3%
2013	\$43,337	-6.9%	0.3%
2012	\$46,569	0.4%	0.3%

Distribution of Receipts

The General Fund receives all the taxes.

Levied by

State

Administration

Department of Revenue

Distributors and retailers of tobacco products must obtain a license, which includes a criminal background check.

The tax is reported and paid on the excise tax return.

History

- 2019 Reduced the 95% tax rate on other tobacco products by:
 - 50% for products issued a modified risk tobacco product order by the secretary of the U.S. Department of Health and Human Services stating the products may be commercially marketed.
 - 25% for products issued a modified risk tobacco product order by the secretary of the U.S. Department of Health and Human Services stating the products may be sold but not marketed.
- 2010 Increased the tax rate to 95% of taxable value except for little cigars and moist snuff. Taxed little cigars at the same rate as cigarettes and taxed moist snuff based on net weight.
- 2009 Required the General Fund receive all the taxes and ended 27 years of other accounts receiving funds.

Tobacco Products Tax

- 2005 Reduced the tax rate to 75% of a redefined taxable value and made regulatory changes to reduce tax evasion.
 - 2002 Voters passed Initiative 733 increasing the tobacco products tax rate to 129.42% of wholesale value. Dedicated the additional revenues to health services.
 - 1993 Added an additional 10% tax to fund healthcare.
 - 1986 Added an additional 16.75% tax to fund water quality.
 - 1982 Added surtaxes of 4% and 3%.
 - 1971 The tax rate increased to 45%.
 - 1965 The tax rate increased to 30%.
 - 1959 Established the tobacco tax at a rate of 25% of wholesale value and directed the taxes to the General Fund.
-