

HOUSE RESEARCH

Bill Summary

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Authors: Nash and others

Subject: Cigar tax reduction

Analyst: Chris Kleman

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Currently, premium cigars are taxed as other tobacco products. The tax imposed on premium cigars is either 95 percent of the wholesale price or \$3.50, whichever amount is lower. This bill would change the tax imposed on premium cigars to the lesser of 95 percent of the wholesale price or \$.50. In addition, the bill proposes to change the definition of a premium cigar by removing the requirement that a premium cigar is hand-rolled.