

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE DRH60096-LYx-1B (8/25)

Short Title: Increase Cigarette Tax. (Public)

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Sponsors: Representatives Weiss, Justice, Womble, and Glazier (Primary Sponsors).

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Referred to:

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A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE EXCISE TAX ON CIGARETTES AND OTHER  
2 TOBACCO PRODUCTS.  
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4 Whereas, North Carolina's excise tax on cigarettes is currently five cents (5¢)  
5 a pack, the second lowest in the nation; and

6 Whereas, the use of tobacco products is the leading cause of preventable  
7 death and disability in North Carolina; and

8 Whereas, the use of tobacco products costs the State four billion seven  
9 hundred fifty million dollars (\$4,750,000,000) in medical costs and lost productivity  
10 annually; and

11 Whereas, 24,600 North Carolina children become new daily smokers each  
12 year, a rate of 67 new daily child smokers everyday; and

13 Whereas, the best way to prevent and reduce tobacco use by children is to  
14 substantially increase the cost of cigarettes; and

15 Whereas, such a tax increase would result in a fifteen and seven-tenths  
16 percent (15.7%) decrease in youth smoking rates, prevent 101,000 North Carolina  
17 children from starting to smoke, and save 32,300 North Carolina children from  
18 premature smoking-related deaths; Now, therefore,

19 The General Assembly of North Carolina enacts:

20 **SECTION 1.** G.S. 105-113.5 reads as rewritten:

21 "**§ 105-113.5. Tax on cigarettes.**

22 A tax is levied on the sale or possession for sale in this State, by a distributor, of all  
23 cigarettes at the rate of ~~two and one-half mills~~ four cents (4¢) per individual cigarette."

24 **SECTION 2.** G.S. 105-113.35 reads as rewritten:

25 "(a) Tax. – An excise tax is levied on tobacco products other than cigarettes at the  
26 rate of ~~two percent (2%)~~ thirty-two percent (32%) of the cost price of the products. This  
27 tax does not apply to the following:

- 1           (1)    A tobacco product sold outside the State.  
2           (2)    A tobacco product sold to the federal government.  
3           (3)    A sample tobacco product distributed without charge."  
4           **SECTION 3.** This act becomes effective July 1, 2005.