

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



OTR NOTICE 2016-03

**TO TOBACCO PRODUCTS WHOLESALERS
CIGARETTE TAX RATE INCREASE TO \$2.92 EFFECTIVE OCTOBER 1, 2016**

The District of Columbia cigarette excise tax consists of fixed tax of \$2.50 per package of 20 cigarettes and a variable surtax levied in lieu of the sales tax. Effective October 1, 2016, the surtax is increased from \$0.41 to \$0.42 cents per package of 20 cigarettes, resulting in a combined cigarette excise tax of \$2.92 per package of 20 cigarettes.

The Office of Tax and Revenue (OTR) will not administer a floor tax in connection with this increase in the cigarette tax, nor will the cigarette stamps currently in use be changed when the tax increases on October 1st. Cigarette stamps purchased on or after October 1st will be sold at the new tax rate. Sales of cigarettes at retail are not subject to the DC sales tax.

OTHER TOBACCO TAX RATE DECREASE TO 65% EFFECTIVE OCTOBER 1, 2016

Effective October 1, 2016, the tax rate on other tobacco products is decreased from 67% to 65% of wholesale sales of other tobacco products.

Should you have any questions, please contact OTR's Customer Service Administration at (202) 727-4TAX (4829).