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

August 18, 2017

OTR NOTICE 2017-03

TO TOBACCO AND VAPOR PRODUCTS WHOLESALERS

CIGARETTE TAX RATE INCREASE TO $2.94 EFFECTIVE OCTOBER 1, 2017

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, 2017, the surtax is increased from $.42 to $.44 cents per package of 20 cigarettes, resulting in a combined cigarette excise tax of $2.94 per package of 20 cigarettes.

The Office of Tax and Revenue 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 60 PERCENT EFFECTIVE OCTOBER 1, 2017

Effective October 1, 2017, the tax rate on other tobacco products is decreased from 65 percent to 60 percent of wholesale sales of other tobacco products.

Questions should be directed to the Customer Service Administration at (202) 727-4829.