

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Chief Financial Officer

Office of Tax and Revenue



August 23, 2021

OTR Tax Notice 2021-08

**NOTICE OF TAX RATE ON OTHER TOBACCO PRODUCTS
FOR TAX YEAR 2022**

Pursuant to D.C. Code § 47-2402.01(a)(2)(B), the District of Columbia shall provide notice of the tax rate on other tobacco products on or before September 1st of each year for the upcoming tax year that begins on October 1st. The tax for other tobacco products shall be equal to the cigarette tax and surcharge on a pack of 20 cigarettes under D.C. Code § 47-2402(a)(1)-(2), expressed as a percentage of the average wholesale price of a package of 20 cigarettes for March 31, preceding the September 1st announcement of the change in rates.

The Office of the Chief Financial Officer (OCFO) collected wholesale cigarette price data from the United States Department of Labor’s Bureau of Labor Statistics. Based on the analysis of the data, OCFO has determined that the average wholesale price of a package of 20 cigarettes in the District of Columbia as of April 1, 2021 was \$6.28. The Budget Support Act of 2018, (D.C. Law 22-168) increased the cigarette tax rate to \$4.50 per pack of 20 cigarettes starting October 1, 2018. The retail sales tax rate (applicable to the surtax on cigarettes) is 6 percent, effective October 1, 2018. The tax and surtax on a package of cigarettes, effective October 1, 2021, will be \$5.01. The calculated tax that shall be applicable to other tobacco products for tax year 2022 is 80 percent.

Calculated Tax on Other Tobacco Products for Tax Year 2022	
2021 Average Wholesale Price for a Package of 20 Cigarettes	\$6.28
Tax on a Package of 20 Cigarettes	\$4.50
Surtax on a Package of 20 Cigarettes	\$0.51
Total tax on a Package of 20 Cigarettes	\$5.01
Total Tax on a Package of Cigarettes as a Percent of Wholesale Price	80%

Should you have additional questions, please contact Marie Fileus-Sandy, supervisory tax auditor, at 202-843-4705 or marie.fileus-sandy@dc.gov.