



# State of Wisconsin • DEPARTMENT OF REVENUE

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Below is a synopsis of the changes to Wisconsin's cigarette and tobacco products tax laws to be effective January 1, 2008. We are currently working to meet deadlines for printing all of the forms changes and the addition of new tax reporting forms due to the recently passed budget bill.

### Cigarette Tax Changes:

- Cigarette tax will be increasing from 77 cents per pack to \$1.77 per pack of 20 cigarettes (8.85¢ per single cigarette).
- A cigarette inventory tax (the difference between the old rate and the new rate) will be required of all Wisconsin cigarette permittees and retailers. Inventory will be required to be taken of all Wisconsin stamped cigarettes and unaffixed Wisconsin cigarette tax stamps, regardless where stored (including unsalable cigarettes not yet returned to the manufacturer), as of midnight December 31, 2007.
- The cigarette inventory floor tax return and payment is due January 31, 2008.
- The cigarette stamping discount allowed to distributors will change from 1.6% to 0.7% on all cigarette tax stamp purchases.

### Tobacco Products Tax Changes:

- Tobacco products tax will be increasing from 25% to 50% of the manufacturer's established list price prior to reductions for volume or other discounts on all tobacco products except cigars and moist snuff.
- Cigars are taxed at the lower of 50% of the manufacturer's established list price prior to reductions for volume or other discounts or 50¢ per single cigar.
- Moist snuff will be taxed at the rate of \$1.31 per ounce.
- A moist snuff inventory tax (the difference between the old rate and the new rate) will be required of all Wisconsin Tobacco Products Distributors located within Wisconsin. Inventory will be required to be taken of all moist snuff in inventory, regardless where stored (including unsalable moist snuff product not yet returned to the supplier/manufacturer), as of midnight on December 31, 2007.
- The moist snuff inventory floor tax return and payment is due January 31, 2008.

It is recommended that you return all unsalable inventory prior to December 31, 2007. If you have any further questions or concerns, please contact Deborah Klimke at (608) 266-8970 or email the Department of Revenue at [excise@revenue.wi.gov](mailto:excise@revenue.wi.gov).

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