


Enough is Enough!

A Pack of Marlboro Cigarettes in Georgia Could Cost \$5.53!

A pack of Marlboro Filter Cigarettes. The pack is white with a red top and bottom. The Marlboro logo is prominently displayed in the center, featuring a red shield with a white 'PM' and a crown above it. The text 'Marlboro' is written in a large, bold, black serif font. Above the logo, it says 'FILTER CIGARETTES' and below it, '20 CLASS A CIGARETTES'.

Manufacturer's Price	\$1.48
Trade Markup	\$0.82
Federal Excise Tax	\$1.01
State Excise Tax	\$0.37
Proposed Increase	\$1.00
Settlement Expense	\$0.61
Quota Buyout & FDA User Fee	\$0.07
Sales Tax	\$0.17
Total	\$5.53
Total Government Revenue	\$3.22
Total Government Revenue as a Percent of Price	58%

The chart above estimates the price of a pack of cigarettes in Georgia should the proposed \$1.00 per pack excise tax be enacted.¹ The total estimated government revenue would represent **58%** of the total cost!

¹ Manufacturer's price is the list price of a pack of Marlboro® cigarettes to wholesale less off-invoice allowance and applicable terms as of December 2009, excluding settlement agreement and federal excise tax payments. The existing excise taxes can be found in, Bill Orzechowski & Rob Walker, *The Tax Burden on Tobacco*, vol. 44 (forthcoming February 2009); funded in part by Altria Client Services Inc. The estimated settlement cost per pack and the estimated quota buyout payment are from PM USA internal data. The estimated trade markup is based on data from: *State of the Industry: Convenience Store Totals, Trends & Averages*, NATIONAL ASSOCIATION OF CONVENIENCE STORES, 2007. Actual retail prices will vary. Numbers may not add due to rounding. The FDA user fee revenues are estimated based on total FDA user fee revenues and total national and state tax-paid sales.

