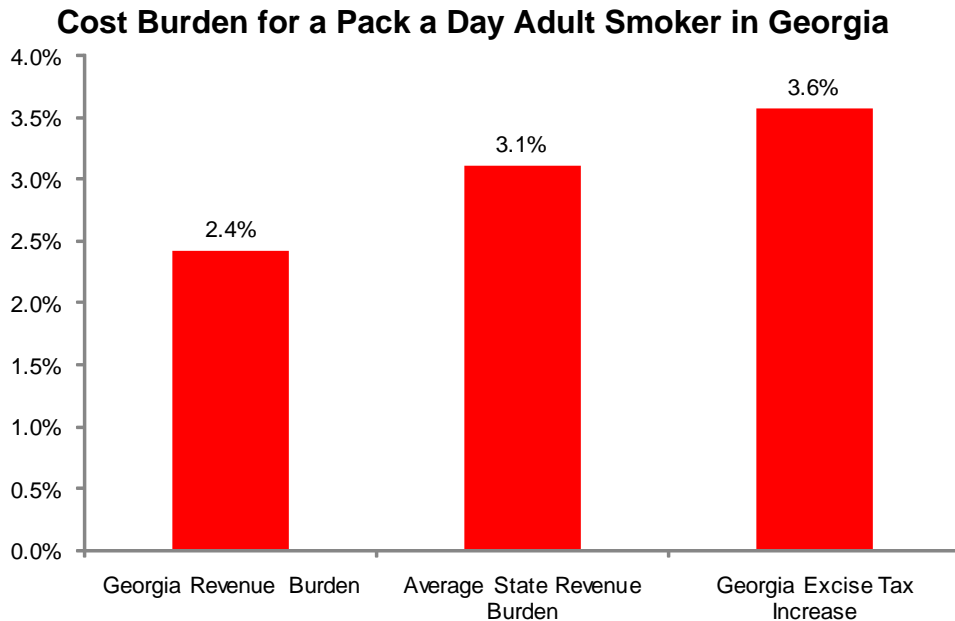


# Georgia has an Excessive Burden on Cigarettes Compared to the Average State

Tax-paid cigarette sales in Georgia are subject to the following current and potential government revenue burden:<sup>1</sup>

State Excise Tax	\$0.37
<b>Proposed Increase</b>	<b>\$1.00</b>
Federal Excise Tax	\$1.01
Settlement Expense	\$0.61
Quota Buyout & FDA User Fee	\$0.07
Sales Tax	\$0.17
<b>Total Government Revenue Burden</b>	<b>\$3.23</b>

The proposed \$1.00 cigarette excise tax increase will raise the costs on a pack a day adult smoker in Georgia from 2.4% of per capita personal income to 3.6% of per capita personal income.<sup>2</sup> This means that the Georgia tax burden will jump from the 41st highest burden in the country to the 13th highest burden in the country.



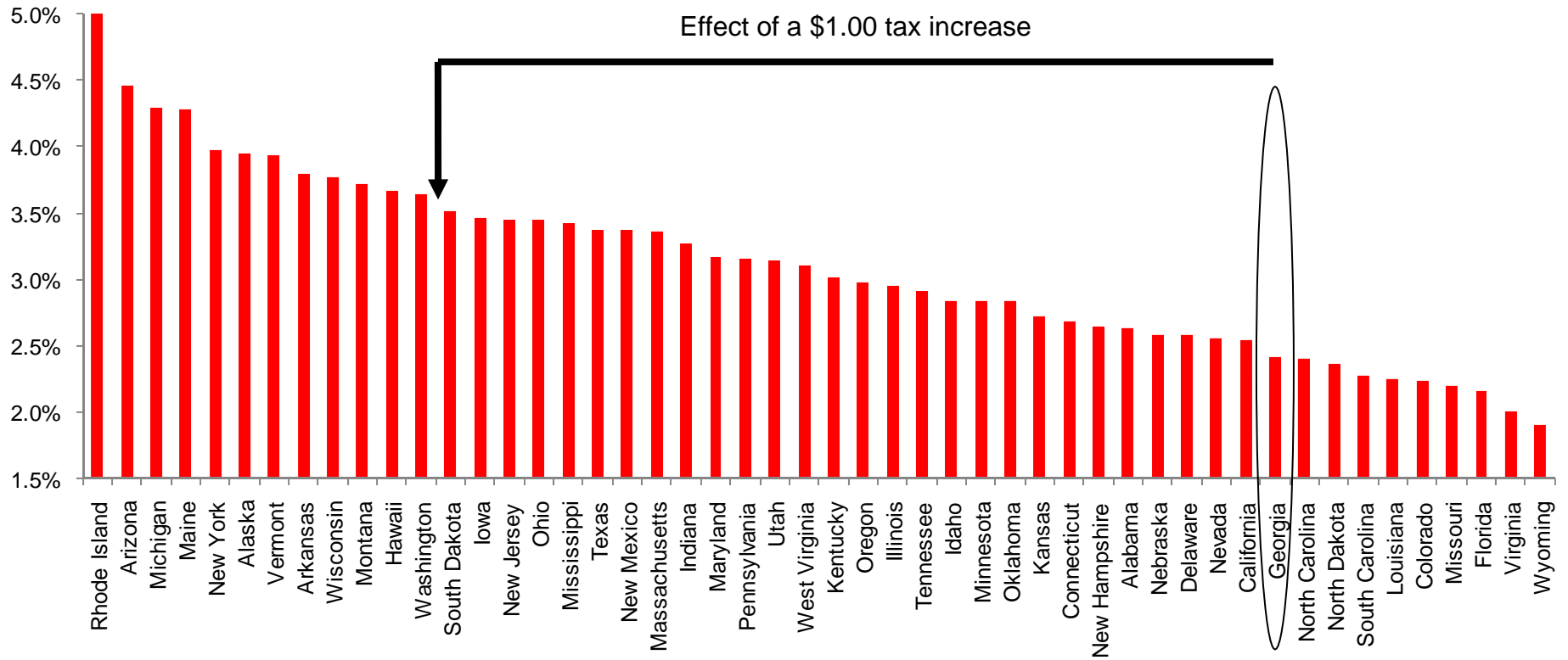
**Georgia should not raise the state excise tax by \$1.00 per pack. Georgia residents would have to pay the 13th highest cigarette excise tax burden in the country if this excise tax increase were enacted.**

<sup>1</sup> Bill Orzechowski & Rob Walker, *The Tax Burden on Tobacco*, vol. 44 (forthcoming February 2010); funded by Altria Client Services Inc. and other tobacco companies. The estimated sales tax per pack, settlement cost per pack, and the estimated quota buyout payment are from PM USA internal data, numbers may not add due to rounding. The FDA user fee revenues are estimated based on total FDA revenues and total national and state tax-paid sales.

<sup>2</sup> Per capita personal income is from the Bureau of Economic Analysis. In 2007, Georgia per capita personal income was \$33,416 while the US average per capita personal income was \$38,564.



# Total Government Revenue Burden as a Percentage of Per Capita Personal Income



**Following a \$1.00 tax increase, Georgia burden increases to 3.6%, or the 13th highest burden in the country**