



Cigarette Tax – County

In 1990, Cuyahoga County became the first and only county in the state that levies a local tax on cigarettes. In 2008, the General Assembly prohibited localities from levying any new taxes on cigarettes. However, in 2013, the General Assembly authorized Cuyahoga County to extend its current levy. Cuyahoga County levies the maximum rates specified in state law. Revenues from these taxes are mainly used for funding a regional arts and cultural district; some revenues are used for the construction and renovation costs for professional sports facilities in the county along with related economic development projects.

The taxes must be levied pursuant to a resolution adopted by the Board of County Commissioners* and approved by a majority of voters in the county. Cuyahoga County voters approved cigarette taxes (along with alcohol taxes) in May 2014 for a 20-year period.

Taxpayer

(Ohio Revised Code 5743.025)

The tax is paid by cigarette dealers (primarily wholesalers), who must be licensed and who pay the tax by purchasing tax indicia (stamps or impressions). The indicia must be affixed to all packs of cigarettes before sale at retail in a county that levies such taxes.

Tax Base

(R.C. 5743.026)

The tax is assessed per each cigarette sold.

Rates

(R.C. 5743.021 and 5743.026)

Cuyahoga County levies two separate cigarette taxes at the maximum rates permitted under state law:

- Up to 1.5 cents per cigarette (30 cents per pack of 20 cigarettes) for the purpose of funding a regional arts and cultural district.
- Up to 0.225 cents per cigarette (4.5 cents per pack of 20 cigarettes) for construction of a sports facility.

For one pack of 20 cigarettes purchased, a total of 34.5 cents is assessed.

Exemptions

No exemptions.

Disposition of Revenue

(R.C. 5743.021, 5743.024)

The county receives 98 percent of revenues from each tax to use for the specified purposes listed above. The remaining two percent of revenue is allocated to the Department of Taxation to administer the tax.

Payment Dates

See the **Cigarette and Other Tobacco Products Tax** chapter in the **State Taxes** section.

Special Provisions/Credits

See the **Cigarette and Other Tobacco Products Tax** chapter in the **State Taxes** section.

Responsibility for Administration

The Tax Commissioner administers the tax and is responsible for the distribution of revenue.

Ohio Revised Code Citations

Sections 307.696, 307.697, 351.26, 3381.04, 5743.021, 5743.024, 5743.025 and 5743.026.

History of Major Changes

1986	General Assembly authorizes county sports facility cigarette taxes.
1990	Cuyahoga County voters approve a 4.5 cents per pack cigarette tax through July 31, 2005, with revenue designated to finance sports facilities for the Cleveland Indians and Cavaliers.
1995	General Assembly permits counties to extend cigarette taxes that have not yet expired. Later, Cuyahoga County voters extend the cigarette tax for 10 years to support facility improvements for the Cleveland Browns.

*In 2009, Cuyahoga County adopted a County Charter form of government with a County Executive/County Council.

History of Major Changes - continued

2006	General Assembly permits counties with a population of 1.2 million or more to levy a cigarette tax to fund a regional arts and cultural district. Cuyahoga County voters approve the tax at a rate of \$0.30 per pack (effective February 2007).
2008	HB 562 includes a provision that prohibits future local taxes on cigarettes (and alcoholic beverages).
2013	HB 59 specifically authorizes Cuyahoga County to renew the county cigarette and alcoholic beverage taxes for up to 20 years, by adopting a resolution to do so, subject to voter approval.
2014	Cuyahoga County voters extend the cigarette and alcoholic beverages taxes for 20 years.

Table 1					
Revenue from Cigarette Taxes in Cuyahoga County, Fiscal Years 2011 - 2015					
Fiscal Year	Net Revenue	Arts District Allocation¹	Sports Facilities Allocation¹	State Admin. Fee	Total Revenue
2011	\$19,882,266	\$17,288,927	\$2,593,339	\$406,078	\$20,288,344
2012	19,687,486	17,119,553	2,567,933	402,357	20,089,843
2013	19,411,367	16,879,450	2,531,917	396,666	19,808,033
2014	18,482,584	16,071,812	2,410,772	377,194	18,859,778
2015	18,002,387	15,654,250	2,348,137	367,394	18,369,781

Source: Ohio Office of Budget and Management fiscal reports, calculations by the Ohio Department of Taxation.

¹Allocations by purpose calculated by the Ohio Department of Taxation based on proportion of respective tax rates.

Table 2			
Cuyahoga County Cigarette Tax Receipts, Fiscal Years 2011 - 2015			
Fiscal Year	Gross Stamp Tax	Discount	Net Tax Collected
2011	\$20,246,705	\$364,440	\$19,882,265
2012	19,763,236	355,738	19,407,498
2013	20,187,170	363,369	19,823,801
2014	18,449,161	332,085	18,117,076
2015	19,706,581	354,718	19,351,863

Source: Treasurer of State, Ohio Department of Taxation.