Effective January 1, 1994, cigarette excise tax law changed from a stamp method of payment based on packs purchased to a reporting method based on sales. Concurrent with the change in the payment method was a reduction in the amount of discount allowed to taxpayers.

Effective September 1, 2005, the cigarette tax rate increased from 2.5 mills per cigarette (5¢ per pack of 20 cigarettes) to 1.5¢ per cigarette (30¢ per pack of 20 cigarettes).

Effective September 1, 2005, the tax rate for tobacco products (other than cigarettes) increased from 2% to 3% of the cost of the product (10% effective October 1, 2007). Proceeds of the additional 7% rate are credited to the newly established University Cancer Research Fund.

Effective July 1, 2006, the cigarette tax rate increased from 1.5¢ per cigarette to 1.75¢ per cigarette (35¢ per pack of 20 cigarettes).

Effective September 1, 2009, the cigarette tax rate increased from 1.75¢ per cigarette (35¢ per pack of 20 cigarettes) to 2.25¢ per cigarette (45¢ per pack of 20 cigarettes). The tax rate for other tobacco products increased from 10% to 12.8% of the cost of the product (3% of the cost price is dedicated to the General Fund, the remainder of the net tax is dedicated to the University Cancer Research Fund).

Effective June 1, 2015, an excise tax at the rate of $0.05 per fluid mL is imposed on consumable vapor products containing nicotine (discount does not apply).

Cigarette tax/other tobacco products tax discount:

Effective for reporting periods beginning on or after August 1, 2003, § 105-113.21 and § 105-113.39 were reenacted to reinstate a discount to wholesalers or importers who both timely file the monthly cigarette tax report and timely pay the tax due. The discount is 2%. The discount under prior law was 4% and had been repealed effective for reporting periods beginning on or after August 1, 2003.