

Virginia

The proposed federal cigarette and tobacco tax increases will harm retailers, distributors and their employees. The tax increases will also negatively impact state tax revenues and local/state economies.

Congress is proposing to increase the federal cigarette tax by 100% and to raise the excise tax rates on other tobacco products by up to 2,000%.

Tobacco retailers and distributors are vital to Virginia's economy and the local communities they serve.



6,491 Stores
In Virginia¹



Family-
Owned



108,326
Employees
Statewide²









COVID
Essential
Businesses



Groceries
and Gas

Negative Impact of Federal Tax Increases to Virginia³

Lost Total Sales	Lost Employee Jobs	Lost Wage Income	Lost State and Local Taxes	Lost State MSA ⁴ Payments	Total Economic Impact ⁵
					
\$-20.7M	-372	\$-17.6M	\$-26.3M	\$-7.1M	\$-77.0M

1,376,330 Virginia Adult Tobacco Consumers Nationwide Impacted by Regressive Taxes⁶

¹Management Science Associates

²JobsEQ by Chmura

³Chmura Economics and Analytics, 2021 (<http://www.natocentral.org/legislative/federal-tax-increase-impact-report>)

⁴Master Settlement Agreement

⁵Includes national totals for lost retail sales, lost wage income, lost state and local taxes and lost state MSA payments

⁶Estimate based on multiplying BRFSS tobacco use prevalence by adult census population

The National Association of Tobacco Outlets commissioned Chmura Economics and Analytics to study the economic impact of S. 1314, the Tobacco Tax Equity Act of 2021. See study link above.

**Virginia
Retail Sales, Tax and MSA Revenue Impact
(\$Million)**

	Cigarette	Cigar	Moist Snuff Tobacco	E-Vapor	Ancillary Retail Sales	Total
Retail Sales	39.8	-3.8	2.2	-0.3	-58.6	-20.7
State Excise Tax	-17.5	-3.6	-5.9	-0.5		-27.5
Local Excise Tax	-6.3	0.0	0.0	0.0		-6.3
State Sales Tax	11.7	-1.3	0.5	-0.2	-5.1	5.6
Local Sales Tax	3.8	-0.5	0.1	-0.1	-1.7	1.8
Total Tax	-8.2	-5.4	-5.3	-0.7	-6.7	-26.3
Revenue from MSA						-7.1

**Economic
Impact**

	Direct	Indirect	Induced	Total
Sales (\$Million)	-20.7	-8.9	-14.0	-43.6
Labor Income (\$Million)	-9.1	-3.4	-5.2	-17.6
Employment (Jobs)	-224	-40	-108	-372

Source: Chmura Economics and Analytics, 2021

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