



# OFFICE OF MANAGEMENT & BUDGET

**Brian M. Daniels, Director**


One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 574-8430  
Fax: (401) 222-6436

## MEMORANDUM

**To:** The Honorable Marvin L. Abney, Chairman, House Committee on Finance

**From:** Brian Daniels, Director - Office of Management and Budget

**Date:** March 21, 2025 

**Subject:** February 26 House Finance Committee Follow-up

Thank you for the opportunity to appear before and offer testimony to the House Committee on Finance on Wednesday, February 26. This memo addresses the questions for which I said my team would provide information. As always, if you require more information or need clarification on what has been presented below, please feel free to reach out to my team and me.

***Is there a breakdown of the performance of the cigarette tax since the last \$0.25 increase?***

Yes, a cigarette tax revenue performance table is provided below. For the per-pack cigarette tax, year-to-date (YTD) revenues through February are \$958,567 higher than estimated. Despite revenues exceeding estimates, they are 5.1 percent lower than they were at the same point in 2024. Total revenue from all types of cigarette taxes is \$850,886 higher than estimated through February.

Cigarette Sales and Use Taxes	Variance to Revenue Estimates (YTD through February 2025)	Change Compared to 2024 (YTD through February 2025)
Cigarette Excise Tax (per pack)*	+\$958,567	-5.1%
Cigarette Floor Stock Tax	+\$87,489	43018.4%**
Other Tobacco Products Tax	-\$159,153	-5.3%
ENDS Tax (vape, including floor stock)	-\$36,017	N/A***
<b>Total</b>	<b>+\$850,886</b>	<b>-3.5%</b>

\* The cigarette tax increase went into effect September 1, 2024. As such, YTD revenues represent a six-month collection period at the higher rate, as opposed to an eight-month collection period if the tax had gone into effect at the beginning of the fiscal year.

*\*\* The floor stock tax is only assessed when the tax is raised, which is why the growth rate is especially large.*

*\*\*\* There is no growth rate for the Electronic Nicotine-Delivery Systems (ENDS) tax, as collection started in January 2025.*

***Does the Department of Revenue track revenue from e-cigarettes, menthol cigarettes, and non-menthol cigarettes?***

The Department of Revenue does not track revenue from menthol cigarettes; however, the Department does differentiate the cigarette excise tax (per-pack), from other tobacco products, ENDS, and floor stock taxes. A detailed breakdown of the current performance is provided above.

cc: Members of the House Committee on Finance  
Sharon Reynolds Ferland, House Fiscal Advisor  
Christopher O'Brien, Committee Clerk