



STATE BOARD OF EQUALIZATION

August 10, 1960

Dear Mr.

This is in reply to your letter of July 29 concerning the application of the sales tax to the amount of the cigarette tax which is included in the price of cigarettes.

The sales tax, both State and local, applies to the entire sales price of cigarettes including the amount of the cigarette tax included therein. The cigarette tax is imposed upon the distributor of cigarettes and is a part of the price to the consumer the same as the many other taxes and expenses of manufacturers, wholesalers, distributors and other that are reflected in the price paid by the consumer for merchandise.

During the session of the legislature which passed the cigarette tax, consideration was given to excluding by law the amount of the cigarette tax from the sales tax, but proposals to accomplish this result were not enacted into law.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:tl

cc: Sacramento Administrator