Elise M. Nieshalla — State Comptroller

Cigarette Tax Distributions

Cigarette Tax distributions are taxes that are imposed when cigarettes are sold or otherwise provided by certain authorized sellers.

Distribution Schedule

Distributions are issued in June and December each year, following the process outlined below.

Revenue Sources

Cigarette taxes are allocated as follows, pursuant to **IC 6-7-1-28.1**

- 59.38% to the State General Fund for Medicaid appropriations to meet Current Obligations
- 23.67% to the State General Fund
- 11.26% to the Healthy Indiana Plan trust fund (**IC 12-15-44.2-17**)
- 2.26% to the Pension Relief fund (**IC 5-10.3-11**)
- 1.76% to the Cigarette Tax fund
- 1.67% to the State Retiree Health Benefit trust fund (**IC 5-10-8-8.5**)

The 1.76% remitted to the Cigarette Tax fund will be distributed as follows:

- 1/6 transferred to the Department of Natural Resources (**IC 6-7-1-29.1**)
- 1/6 transferred to the Clean Water Indiana fund (**IC 6-7-1-29.3**)
- 2/3 distributed to cities and towns based on population, with distributions made in June and December (**IC 6-7-1-30.1**)

Distribution Calculation

Pursuant to **IC 6-7-1-30.1**, cities and towns will receive a distribution equal to the total amount of revenue available multiplied by the fraction formed by that city or town's population divided by the total population of all cities and towns.

Permissible Uses

- For cities or towns not located in the same county as a consolidated city:
  - 3/14 of the funds shall be deposited in the city or town's general fund
  - 11/14 of the funds shall be deposited in the city or town's cumulative capital improvement fund
- In Marion County:
  - 3/14 of the funds are issued to the city or town's fiscal officer for deposit in the city or town's general fund
  - 11/14 of the funds are distributed to the county treasurer. The Marion County Treasurer distributes the first $350,000 to the Capital Improvement Bond Fund and the remainder to the City of Indianapolis Department of Transportation.

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