



Cigarette Tax Hike Would Put New Jersey's Among Highest in U.S.

By: Emily Moore, March 5, 2020

Gov. Phil Murphy proposed legislation to raise the New Jersey cigarette tax by \$1.65 per pack.

If approved, the bump would take the per-pack tax to \$4.35, one of the highest in the United States, on par only with New York and Connecticut. Murphy introduced the legislation in the newly proposed \$40.9 billion state budget.

The new tax would generate an estimated \$218 million in revenue, according to briefing documents from the Department of the Treasury. The revenue money would support health-related programs like anti-smoking campaigns.

Sal Risalvato, executive director of the New Jersey Gasoline, C-Store and Automotive Association, said in an interview with The Center Square he is concerned that the tax would send consumers over state borders for cigarette purchases, negatively affecting New Jersey businesses. It would also stop New York residents from making cigarette purchases in New Jersey because of the lower taxes.

“This will definitely have a negative effect for one simple reason; there will no longer be an incentive for New York customers to purchase their cigarettes in New Jersey,” he said. “Presently many of our stores sell cigarettes to New York customers, especially along the borders and the corridors of motorists traveling through or commuting to New Jersey. Once the tax goes up, it won’t matter where these customers purchase their cigarettes.

"It will also provide more incentive for New Jersey customers to make their purchase in Pennsylvania in a similar fashion," Risalvato added. "New Jersey businesses lose."

State Senate President Steve Sweeney, although a supporter of a ban on vaping products and prohibition of the sale of menthol nicotine products, opposes the tax increase.

“I said I was open to a millionaire’s tax if there was a billion dollars in new funding for [the state’s underfunded] pension,” Sweeney said, **according to Politico**. "I don’t think we really need the other taxes, period."

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