Michigan

Popular Price Large Cigars

Calendar Year 2008 (Pre-SCHIP)	
Est. Units Sold:	231,500,000
(avg. wholesale price):	x $0.30
Total wholesale value:	69,450,000
(state excise tax):	32%
Est. Tax Revenue:	$22,224,000
2009 (SCHIP Impact)	
(assumes 25% decline in units)	
Est. Units Sold:	173,625,000
(avg. whole price):	x $0.40
Total wholesale value:	69,450,000
(state excise tax):	32%
Est. Tax Revenue:	$22,224,000
2009 (Governor's Proposal)	
(assumes additional decline of 40% in units)	
Est. Units Sold:	104,175,000
(avg. whole price):	x $0.40
Total wholesale value:	41,670,000
(state excise tax):	64%
Est. Tax Revenue:	$26,668,800
Governor's proposal gains	$4,444,800

Premium Hand-Made Cigars

Calendar Year 2008 (Pre-SCHIP)	
Est. Units Sold:	2,733,500
(avg. wholesale price):	x $2.16
Total wholesale value:	5,904,360
(state excise tax):	32%
Est. Tax Revenue:	$1,889,395
2009 (SCHIP Impact)	
(assumes 15% decline in units)	
Est. Units Sold:	2,323,475
(avg. whole price):	x $2.51
Total wholesale value:	5,831,922
(state excise tax):	32%
Est. Tax Revenue:	$1,866,215
2009 (Governor's Proposal)	
(assumes additional 35% decline in units)	
Est. Units Sold:	1,510,259
(avg. whole price):	x $2.51
Total wholesale value:	3,790,750
(state excise tax):	64%
Est. Tax Revenue:	$2,426,080
Governor's proposal gains	$559,865

Little Cigars

Calendar Year 2008 (Pre-SCHIP)	
Est. Units Sold:	176,018,300
(avg. wholesale price):	x $0.03 each
Total wholesale value:	5,280,549
(state excise tax):	32%
Est. Tax Revenue:	$1,689,776
2009 (SCHIP Impact)	
(assumes 60% decline in units)	
Est. Units Sold:	70,407,320
(avg. whole price):	x $0.08each
Total wholesale value:	5,632,586
(state excise tax):	32%
Est. Tax Revenue:	$1,802,427
2009 (if taxed at cigarette rate of $2 per pack)	
(assumes decline of 50% in units)	
Est. Units Sold:	35,203,660
packs =	1,760,183
(state excise tax):	x $2.00 each pack
Est. Tax Revenue:	$3,520,366
Governor's proposal gains	$1,717,939

Governor's Proposal: Total Revenue Gain $6,722,604 (+26%)

Unit decline 105,466,876 (-42.8%)