



# MAXI'S CIGAR LOUNGE

"COME AS STRANGERS, LEAVE AS FRIENDS"



## Cigar Tax Update

Earlier this year the President signed into law the State Children's Health Insurance Program. SCHIP provides health insurance to children of low-income families. The bill calls for increased federal excise taxes on all tobacco products to fund it. The effective date for SCHIP is April 1, 2009. The increase in taxes will affect you, the consumer.

This 40 cents increase will be passed down from the manufacturer to you the consumer. The 40 cents will be in addition to any state or local taxes you are already paying for your cigars. Now the 40 cents cap is a whole lot better than the proposed \$3.00 cap and you may not feel it quite as much when purchasing just a handful of cigars. However, if you are purchasing say a box of 25 cigars, as of April 1<sup>st</sup>, you are going to pay an additional \$10.00 in federal tax.

There is, unfortunately, no way around paying extra for your favorite cigars. Come April 1<sup>st</sup>, everyone across the country will be paying extra taxes for cigars. We at Maxis Cigars urge you to stock up on your favorite Cigars before this tax takes affect.