

**Major Types of Excise Taxes and List of Potential Excise Taxes**

There are four major types of excise taxes:

1. Luxury - taxes designed to distribute the burden of taxation in proportion to consumption expenditures. Some examples include taxes on high priced vehicles, jewelry, and other products not considered to be essential.
2. Sumptuary – taxes designed to curb the consumption of commodities that have a cost to society such as alcohol, cigarettes, and smokeless tobacco products.
3. Benefit Based Levy - taxes may be based on allocating the tax burden in relation to the benefits received. An example is the gas tax, which pays for road and transportation improvements.
4. Negative Externalities – taxes that can be used to discourage an activity such as taxes applied to “gas guzzling” vehicles. This is similar to the sumptuary tax.

**Examples of Items Subject to Excise Taxes in the U.S.\***

Jewelry  
Tires  
Batteries  
Sporting goods  
Firearms  
Dry Cleaning  
Meals/Food-Beverages  
TV Dish Licensing  
Restaurant  
Income  
Transfer  
Recordation  
Trees and Timber  
Rental Lease  
Cigarettes  
Cigars  
Smokeless Tobacco Products  
Alcohol/Beer/Wine  
Wine Distributors, Producers, and Distillers  
Gasoline (all types)  
Telephone/Cell Phone  
Energy Tax (Electric/Gas)  
Water  
Fuel/Kerosene  
Local Option Sales Tax  
Rental Car  
Vehicles

*\*This is not an exhaustive listing of every excise tax. It is based on information gleaned from preliminary research on the types of excise taxes that are imposed by the various levels of government across the U.S. For the City to levy a tax on any of these items would require State enabling legislation.*