

Internet Cigarette Sales and Native American Sovereignty: Political and Public Health Contexts

Cigarettes are often sold tax-free on the Internet by companies claiming affiliation with Native American tribes. These vendors can offer substantially lower cigarette prices than are available elsewhere because they allow consumers to circumvent the excise taxes that many states impose to curtail smoking. This study examines the historical policy context and public health ramifications of the tax-free status of reservation-affiliated cigarette sales.

Key Findings

- While selling tax-free cigarettes online often violates various tax laws, enforcement of those laws has been limited. Even in brick-and-mortar stores, although U.S. federal law requires people who are not members of a Native American tribe to pay taxes on cigarettes bought on tribal lands, state governments cannot force tribal governments to collect these taxes.
- Because tax-free tobacco sales play an important economic role for many tribes, persuading tribes to phase out tax-free sales may require the creation of new sources of economic development. A case study of conflicts in New York State, where many tribe-affiliated Internet tobacco vendors are based, highlights the complexity of the relationships among federal, state, and tribal governments.

The availability of cheap and tax-free cigarettes online represents a significant public health issue because smoking rates are influenced by the price of cigarettes. This study offers background information to inform efforts to regulate tobacco sales and reduce smoking rates.

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