



Tobacco Tax: Support Governor Parkinson's recommendation to increase the state tobacco tax from \$.79 per pack to the national average of \$1.34.

Current Kansas Ranking in Tobacco Tax: 35th

Talking Points

- **Tobacco taxes discourage kids from smoking.** For every ten percent increase in tobacco taxes, there is a seven percent reduction in teen use. Continuing to raise the price of cigarettes will further decrease the number of youth who experiment with or start smoking. Seventy-three percent of smokers develop the habit before age eighteen.
- **Pregnant women who quit smoking will have healthier babies.** Raising the tax will deter some pregnant women from smoking, reducing poor fetal health and costly treatment.
- **Tobacco taxes are a stable source of revenue.** Even with reduced use, tobacco taxes remain a reliable revenue source, even more so than income taxes. Each state that has raised the tax by a significant amount has experienced increased revenue over time. Arguments that increased taxes will result in less revenue as users cross state lines to purchase or buy via the Internet are unfounded. Such efforts to avoid the tax do not result in any significant revenue loss, although there are small yearly declines unless the tax is increased regularly. It is estimated that an increased cigarette tax will result in about \$50 million in new state revenues.
- **The health care costs of smoking are paid by all Kansas taxpayers.** Each Kansas household pays \$582 annually to cover health care costs of smokers. More of this tax burden should be borne by tobacco users through an increased tax. Smoking-related costs to Medicaid alone are \$196 million annually.
- **The tobacco tax is a user fee.** More than eighty-percent of Kansans will not pay this tax. This is not unlike other user fees that are enforced to reflect those using the product or service should pay for it. Kansas drivers pay tolls for the use of some roads because they are contributing to the wear and tear of the roads. Increasing the tobacco user fee is a policy that recognizes the cost of tobacco use to our health care system.

Opposition Arguments and Responses

- **Convenience stores will go out of business if the tax is raised.**

Response: There is no evidence to support this claim. If customers are not spending on tobacco, they may be spending on other convenience store items. After the last tobacco tax increase, even convenience store cashiers commented that any drop in revenue was temporary (Topeka Capital-Journal, July 18, 2003). Even if there was evidence indicating reduced revenues, the positive health impact of a tobacco tax increase outweighs reduced income. The government often prioritizes public health over economic impact. There has also been increased enforcement in Kansas to prevent tobacco sales to underage buyers, reducing overall tobacco sales. This action prioritizes a desire to reduce teen smoking over profits made from tobacco sales.

- **Tobacco taxes unfairly target the poor.**

Response: Tobacco marketing unfairly targets the poor, as evidenced by higher smoking rates among the poor. A benefit of raising the tax is it may reduce use among those least likely to afford this product and the corresponding health care costs.

- **Raising the tax will spur internet sales and smuggling of tobacco, resulting in less revenue.**

Response: Every state that has passed a significant tobacco tax increase has realized more revenue to the state treasury. These warnings that a significant number of buyers will turn to the internet or smuggle tobacco across state lines have not become reality. The increased revenue reflected in the Kansas estimates accounts for internet purchases and smuggling.

- **Raising the tax will result in Kansans traveling to other low-tax states for cigarettes.**

Response: While it is true that neighboring Missouri has the lowest tobacco tax in the country, this does not translate into an exodus of sales to Missouri. The reason for this is most tobacco purchasers only buy one pack at a time at the most convenient location.

Tobacco should not be the only unhealthy product targeted for increased taxation.

Response: Tobacco is the leading cause of preventable deaths and health care costs. Increasing this tax will have the greatest impact in improving our health and reducing costs. In the United States, smoking kills more people than alcohol, illegal drugs, murder, suicide, accidents, and AIDS combined.

(www.ctfk.org).

- **Kansans should not be subjected to any tax increases.**

Response: Non-smoking Kansans already share disproportionately in paying for the costs of smoking. Every Kansas household pays \$582 per year for smoking-related health costs even though 80 percent of Kansans do not smoke. By raising this tax fewer people will smoke, resulting in less state spending on smoking-related health costs. In addition, using the money generated from the increased tax may cover many who are uninsured, thus saving the taxpayers additional money.

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