



August 25, 2003

«Name»

«Street»

«CityStateZip»

VIA FAX: «Fax»

Dear «Salutation»:

Partners for Effective Tobacco Policy (Partners) urge you to support S. 1177, bipartisan legislation introduced by Senators Orrin Hatch (R-UT) and Herb Kohl (D-WI) that was unanimously approved July 31st by the Senate Judiciary Committee. This legislation will curtail the alarming growth of excise tax evasion on tobacco products sold over the Internet. These sales rob states of much needed revenue and make low-cost cigarettes readily available to kids.

There are currently more than 400 Internet websites that sell tobacco products. Internet tobacco prices are much lower than those in retail outlets because Internet sellers often do not pay state tobacco taxes. These low prices make Internet tobacco products attractive to both adult and underage smokers, and help to boost overall smoking levels. Children are especially sensitive to tobacco prices. Studies show every 10 percent increase in the price of cigarettes reduces youth smoking rates by about seven percent and overall cigarette consumption by three to four percent.

In addition, states may be losing hundreds of millions of dollars each year through Internet-based tobacco tax evasion. Many states have increased their tobacco taxes in recent years and S. 1177 will help prevent smokers and other tobacco users from evading state taxes.

Problems with Internet tobacco sales have been compounded by the lack of federal enforcement of existing laws and the enormous difficulties states face in trying to block illegal Internet sales or bring illegal Internet sellers to justice.

The Hatch-Kohl bill would provide state governments with effective tools for collecting state taxes on Internet tobacco product sales to their residents. State revenue losses from Internet cigarette sales are a growing concern among those states that have high cigarette taxes, have just passed cigarette tax increases or are considering cigarette tax increases. The Hatch-Kohl legislation requires Internet vendors of tobacco products to register with the states where they sell their products and comply with all related state laws regarding state tobacco tax collection and reporting. It allows states to block the delivery of cigarettes and smokeless tobacco sold by Internet sellers who fail to register with the state or otherwise fail to comply with federal or state law. It also gives state officials the right to seek injunctive and equitable relief in federal courts to enforce Internet sellers' compliance with tax collection.

«Salutation»
August 25, 2003

Again, we urge you to support S. 1177, which provides both public health and economic benefits by reducing Internet-related tobacco tax evasion. In order to deal more comprehensively with tobacco tax evasion, we also encourage Congress to pass additional legislation to minimize both interstate tobacco product smuggling and international smuggling of U.S. brand cigarettes.

Sincerely,

Action on Smoking and Health
Allergy and Asthma Network - Mothers of Asthmatics, Inc.
American Academy of Family Physicians
American Cancer Society
American College of Cardiology
American College of Preventive Medicine
American Heart Association
American Lung Association
American Psychological Association
American Public Health Association
American School Health Association
American Thoracic Society
Association of Maternal and Child Health Programs
Campaign for Tobacco-Free Kids
Center for Tobacco Cessation
Community Anti-Drug Coalitions of America (CADCA)/Drug-Free Kids Campaign
National Association of County and City Health Officials
National Association of Local Boards of Health
National Black Caucus of State Legislators
National Center for Policy Research for Women & Families
Oncology Nursing Society