



USING STATE TOBACCO TAX INCREASES TO FUND COMPREHENSIVE TOBACCO PREVENTION PROGRAMS

Most states grossly underfund their tobacco prevention program, which ultimately hurts the health of state citizens and increases healthcare costs in the state. However, every state can substantially reduce tobacco use and its attendant harms and costs by increasing its tobacco tax rates and establishing an adequately funded comprehensive tobacco prevention program. By itself, a significant increase to a state's excise tax on cigarettes will directly reduce smoking, especially among youth. But combining tobacco tax increases with a comprehensive statewide tobacco prevention campaign will accelerate, expand, and sustain the tobacco use declines in the state, thereby saving more lives and saving more money.

The table below shows how much each state would need to raise its cigarette tax rate to bring in enough new revenue each year to fully fund its tobacco prevention efforts at the amount recommended by the U.S. Centers for Disease Control and Prevention (CDC), and the benefits and savings obtained from the cigarette tax increase. In fact, the benefits from increasing the cigarette tax to fund the state tobacco prevention program would be even larger than shown in the table because the tax-increase-funded investments in the state tobacco prevention program would produce substantial additional smoking and other tobacco use declines and substantial additional reductions to related harms and costs.¹ These cigarette tax increases could be smaller if the state also made parallel increases to its tax rates on other tobacco products.

State	Using State Tobacco Tax Increases to Fund Tobacco Prevention Programs					Public Health Benefits and Cost Savings from Tobacco Tax Increase ²					
	FY 2009 Tobacco Prevention Spending ³ (millions)	CDC Tobacco Prevention Spending Target ⁴ (millions)	Funding Increase Needed to Reach CDC Target (millions)	Current Cigarette Tax Rate (per pack)	Cigarette Tax Increase Needed to Reach CDC Target	Fewer Future Kid Smokers	Fewer Adult Smokers	Total Future Smoking-Caused Deaths Avoided	Five-Year Heart-Stroke Health Savings (millions)	Five-Year Pregnancy & Birth Savings (millions)	Long-Term Health Savings (millions)
Alabama	\$2.3	\$56.7	\$54.40	\$0.425	\$0.22	17,000	6,300	7,100	\$3.4	\$2.1	\$357.4
Alaska	\$9.2	\$10.7	\$1.50	\$2.00	\$0.15	700	300	300	\$0.2	\$0.3	\$15.1
Arizona	\$21.3	\$68.1	\$46.80	\$2.00	\$0.63	22,000	15,400	11,100	\$7.1	\$3.9	\$531.3
Arkansas	\$16.9	\$36.4	\$19.50	\$1.15	\$0.17	4,100	2,500	1,900	\$1.3	\$1.4	\$95.5
California	\$78.1	\$441.9	\$363.80	\$0.87	\$0.64	154,200	80,800	70,700	\$27.8	\$25.6	\$3,466.1
Colorado	\$27.5	\$54.4	\$26.90	\$0.84	\$0.21	7,900	4,700	3,700	\$2.2	\$1.5	\$182.9
Connecticut	\$8.3	\$43.9	\$35.60	\$2.00	\$0.58	14,400	6,200	6,200	\$2.4	\$1.6	\$310.9
Delaware	\$11.3	\$13.9	\$2.60	\$1.15	\$0.08	500	300	200	\$0.2	\$0.2	\$11.6
DC	\$4.0	\$10.5	\$6.50	\$2.00	\$0.60	1,700	1,300	800	\$0.5	\$0.2	\$42.1
Florida	\$60.2	\$210.9	\$150.70	\$0.339	\$0.19	32,500	19,700	15,600	\$9.0	\$5.2	\$755.9

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Georgia	\$3.2	\$116.5	\$113.30	\$0.37	\$0.31	26,200	15,700	12,500	\$7.7	\$4.8	\$607.7
Hawaii	\$11.3	\$15.2	\$3.90	\$2.00	\$0.12	1,000	500	400	\$0.2	\$0.2	\$22.3
Idaho	\$2.6	\$16.9	\$14.30	\$0.57	\$0.30	3,100	2,200	1,500	\$1.0	\$0.9	\$75.2
Illinois	\$9.5	\$157.0	\$147.50	\$0.98	\$0.41	47,200	22,900	21,100	\$11.1	\$7.9	\$1,043.6
Indiana	\$16.0	\$78.8	\$62.80	\$0.995	\$0.25	16,700	9,700	7,900	\$5.7	\$5.2	\$384.4
Iowa	\$11.2	\$36.7	\$25.50	\$1.36	\$0.35	9,000	4,900	4,100	\$2.3	\$2.6	\$204.1
Kansas	\$2.0	\$32.1	\$30.10	\$0.79	\$0.39	8,900	4,900	4,100	\$2.1	\$2.5	\$202.3
Kentucky	\$3.7	\$57.2	\$53.50	\$0.60	\$0.14	7,200	5,100	3,600	\$3.6	\$2.8	\$174.5
Louisiana	\$8.5	\$53.5	\$45.00	\$0.36	\$0.16	7,700	4,200	3,500	\$2.3	\$1.3	\$174.7
Maine	\$11.7	\$18.5	\$6.80	\$2.00	\$0.27	2,400	1,400	1,100	\$0.8	\$0.6	\$55.3
Maryland	\$20.6	\$63.3	\$42.70	\$2.00	\$0.45	16,100	8,500	7,400	\$3.7	\$2.7	\$362.5
Massachusetts	\$13.5	\$90.0	\$76.50	\$2.51	\$0.56	19,400	10,600	9,000	\$4.3	\$3.0	\$440.2
Michigan	\$5.1	\$121.2	\$116.10	\$2.00	\$0.59	59,400	25,300	25,700	\$13.3	\$11.1	\$1,279.9
Minnesota	\$21.5	\$58.4	\$36.90	\$1.504	\$0.33	14,300	6,300	6,200	\$2.6	\$2.7	\$310.1
Mississippi	\$10.7	\$39.2	\$28.50	\$0.18	\$0.14	4,500	2,700	2,100	\$1.6	\$1.0	\$104.4
Missouri	\$2.7	\$73.2	\$70.50	\$0.17	\$0.20	12,700	8,100	6,200	\$4.9	\$3.9	\$299.2
Montana	\$9.3	\$13.9	\$4.60	\$1.70	\$0.16	1,000	600	400	\$0.3	\$0.4	\$23.2
Nebraska	\$4.0	\$21.5	\$17.50	\$0.64	\$0.24	3,700	2,200	1,700	\$1.1	\$1.2	\$85.7
Nevada	\$4.1	\$32.5	\$28.40	\$0.80	\$0.34	6,700	4,700	3,300	\$2.6	\$1.7	\$161.9
New Hampshire	\$1.1	\$19.2	\$18.10	\$1.33	\$0.30	3,600	1,800	1,600	\$1.0	\$0.7	\$80.1
New Jersey	\$10.2	\$119.8	\$109.60	\$2.575	\$1.02	51,800	27,300	23,800	\$11.8	\$8.7	\$1,165.9
New Mexico	\$10.5	\$23.4	\$12.90	\$0.91	\$0.34	5,200	3,400	2,500	\$1.7	\$1.2	\$123.3
New York	\$81.9	\$254.3	\$172.40	\$2.75	\$0.86	94,900	53,300	44,400	\$24.4	\$14.4	\$2,167.1
North Carolina	\$18.5	\$106.8	\$88.30	\$0.35	\$0.21	19,100	12,700	9,400	\$7.3	\$4.8	\$454.9
North Dakota	\$4.1	\$9.3	\$5.20	\$0.44	\$0.21	1,100	800	500	\$0.4	\$0.4	\$26.9

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Ohio	\$7.1	\$145.0	\$137.90	\$1.25	\$0.41	47,000	25,900	21,900	\$14.7	\$12.6	\$1,068.6
Oklahoma	\$19.1	\$45.0	\$25.90	\$1.03	\$0.13	4,600	3,000	2,200	\$1.8	\$1.5	\$109.0
Oregon	\$9.1	\$43.0	\$33.90	\$1.18	\$0.39	11,700	6,100	5,300	\$2.6	\$2.7	\$262.7
Pennsylvania	\$33.2	\$155.5	\$122.30	\$1.35	\$0.29	34,400	18,600	15,900	\$9.6	\$7.7	\$778.7
Rhode Island	\$1.9	\$15.2	\$13.30	\$2.46	\$1.09	8,000	3,800	3,500	\$1.6	\$1.4	\$176.1
South Carolina	\$1.0	\$62.2	\$61.20	\$0.07	\$0.27	13,400	7,900	6,300	\$4.3	\$3.1	\$309.6
South Dakota	\$5.8	\$11.3	\$5.50	\$1.53	\$0.35	2,400	1,200	1,000	\$0.6	\$0.9	\$53.4
Tennessee	\$6.1	\$71.7	\$65.60	\$0.62	\$0.27	15,900	11,100	8,000	\$6.7	\$5.0	\$383.7
Texas	\$12.6	\$266.3	\$253.70	\$1.41	\$0.60	116,900	61,900	53,800	\$28.6	\$16.9	\$2,633.8
Utah	\$8.2	\$23.6	\$15.40	\$0.695	\$0.31	3,400	2,200	1,600	\$0.6	\$1.4	\$80.4
Vermont	\$6.1	\$10.4	\$4.30	\$1.99	\$0.37	1,400	800	600	\$0.4	\$0.4	\$32.1
Virginia	\$13.6	\$103.2	\$89.60	\$0.30	\$0.24	16,500	9,600	7,800	\$4.5	\$2.6	\$380.0
Washington	\$28.4	\$67.3	\$38.90	\$2.025	\$0.37	14,800	7,700	6,700	\$3.2	\$3.7	\$332.2
West Virginia	\$6.7	\$27.8	\$21.10	\$0.55	\$0.16	3,200	2,200	1,600	\$1.5	\$1.1	\$76.9
Wisconsin	\$16.3	\$64.3	\$48.00	\$1.77	\$0.32	14,800	7,600	6,700	\$3.7	\$3.6	\$331.2
Wyoming	\$6.9	\$9.0	\$2.10	\$0.60	\$0.10	400	300	200	\$0.2	\$0.2	\$9.9

Campaign for Tobacco-Free Kids, February 27, 2009 / Ann Boonn

For more information on state tobacco taxes, see <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>.

For more information on comprehensive tobacco prevention programs, see <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=6>.

¹ States will gain huge benefits by both significantly increasing their tobacco tax rates and investing in comprehensive tobacco prevention programs. See also, Campaign factsheet, *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>, and *Comprehensive Statewide Tobacco Prevention Programs Effectively Reduce Tobacco Use*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf>.

² Projections are based on research findings that each 10% cigarette price increase reduces youth smoking rates by 6.5%, adult rates by 2%, and total consumption by 4% (but adjusted down to account for tax evasion effects). Revenues still increase because the higher tax rate per pack will bring in more new revenue than is lost from the tax-related drop in total pack sales. These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from new smuggling and tax evasion after the rate increase. Kids stopped from smoking and dying are from all kids alive today. Long-term savings accrue over the lifetimes of persons who stop smoking or never start because of the rate increase. All cost and savings amounts are in 2004 dollars.

³ Campaign for Tobacco-Free Kids, et al., *A Decade of Broken Promises: The 1998 State Tobacco Settlement Ten Years Later*, 2008, <http://tobaccofreekids.org/reports/settlements>. Tobacco prevention spending includes state and federal dollars.

⁴ U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, October 2007, http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/index.htm.