

A large red circle is centered on a white background. Inside the circle, the text "CAMPAIGN For TOBACCO-FREE Kids®" is written in white, using a casual, hand-drawn font. The word "CAMPAIGN" is at the top, "For" is smaller and centered below it, "TOBACCO-FREE" is in a larger font below "For", and "Kids®" is at the bottom.

CAMPAIGN
For
TOBACCO-FREE
Kids®

New Tobacco Tax Tools & Resources

Or

Got Deficits?





Agenda

- Pete Fisher
 - Introduction
 - Brief review of upcoming report
- Dan Cronin
 - What can advocates do around the report?
 - What can advocates do moving forward?
- Danny McGoldrick
 - Research
 - Toolkit
- Questions?



NATIONAL CONFERENCE of STATE LEGISLATURES

Press Room » The Nightmare Before Christmas--Fiscal Conditions

NCSL NEWS

December 9,
2009

The Fiscal Nightmare Continues for States

States face fiscal stress with relief several years away, a new report from the National Conference of State Legislatures shows.



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Updated January 28, 2010

AN UPDATE ON STATE BUDGET CUTS

Governors Proposing New Round of Cuts for 2011; At Least 43 States
Have Already Imposed Cuts That Hurt Vulnerable Residents

By Nicholas Johnson, Phil Oliff, and Erica Williams

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Updated January 28, 2010

RECESSION CONTINUES TO BATTER STATE BUDGETS; STATE RESPONSES COULD SLOW RECOVERY

By Elizabeth McNichol and Nicholas Johnson



THE TIME TO ACT IS NOW!!!

- Win for budgets
 - Stave off cuts to essential state programs
 - Produce much-needed revenue
 - Reduce healthcare costs
- Create new alliances
 - Team up with different groups – they want to prevent cuts, we want a tobacco tax increase

Simple steps will make us healthier

11:22 AM Wednesday, January 27, 2010

Much can be done — by individuals, state and local government, schools, businesses and others. Ohio could change its numbers by:

Continuing the fight against smoking.

...

Additionally, Ohio should consider raising its cigarette tax to at least the level of neighboring states and extending the tax to smokeless tobacco products. A higher tax would help discourage smoking and would bring the state needed revenue.

...



Tobacco tax helps budget, children

8:43 p.m. Thursday, January 28, 2010

As the 2010 legislative session opened, Georgia faced a dilemma: With a sluggish economy and unemployment hovering over 10 percent, there is a spike in the need for safety net services at the very time that state revenues are sagging.

Severe budget deficits threaten essential services such as Medicaid and PeachCare for Kids, which serve as lifelines to low-income families who might otherwise be uninsured in this difficult economic climate.

One potential solution is an increase in the state's tobacco tax, currently one of the lowest in the nation, which could have the dual effect of reducing smoking rates and generating revenue to preserve necessary health services.

A new report:

Tobacco Taxes:

A WIN, WIN, WIN for
Cash-Strapped States





Report Outline

- Win-Win-Win message
 - State budget win
 - Public health win
 - Political win

- State-specific benefits

Alabama

BENEFITS FROM A \$1.00 PER PACK CIGARETTE TAX INCREASE

Current state cigarette tax: 42.5¢ per pack

Rank among all states: 46th

Nationwide state average: \$1.34 per pack (RI at \$3.48, highest)

<u>Projected Benefits</u>	
<i>New annual revenue</i>	\$205.0 million
<i>Kids kept from becoming addicted smokers</i>	7,000
<i>Lives saved from premature smoking-caused death</i>	80,500
<i>5-year health savings from fewer smoking-related pregnancies, heart attacks, and strokes</i>	\$25.2 million
<i>Long-term health savings from adult & youth smoking declines**</i>	\$1.5 billion
<i>Percent decrease in youth smoking</i>	15.3%
<i>Current adult smokers who will quit</i>	27,000

* These immediate heart-stroke and cancer deaths reductions represent only the tip of the savings iceberg, as the smoking decline from the \$1.00 rate increase would immediately begin to reduce numerous smoking-caused health costs, as well.

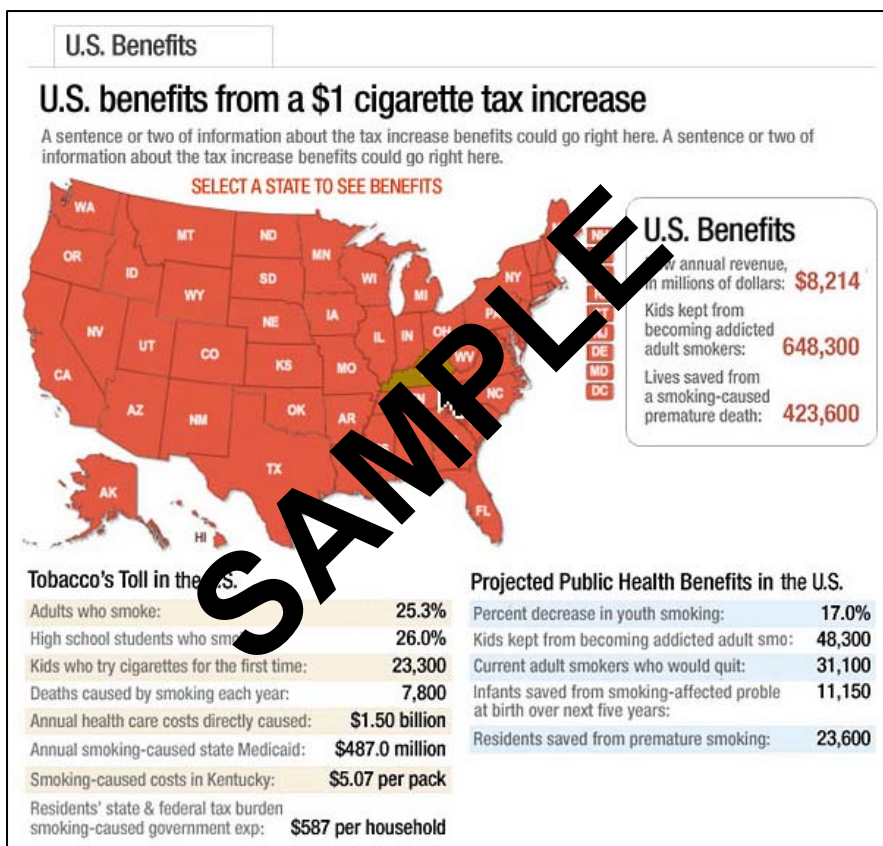
** Long-term savings are the lifetime savings of persons who stop smoking or never start because of the tax increase.

Alabama will generate additional economic and public health benefits from equalizing its tax rates on other tobacco products to the higher cigarette tax rate.

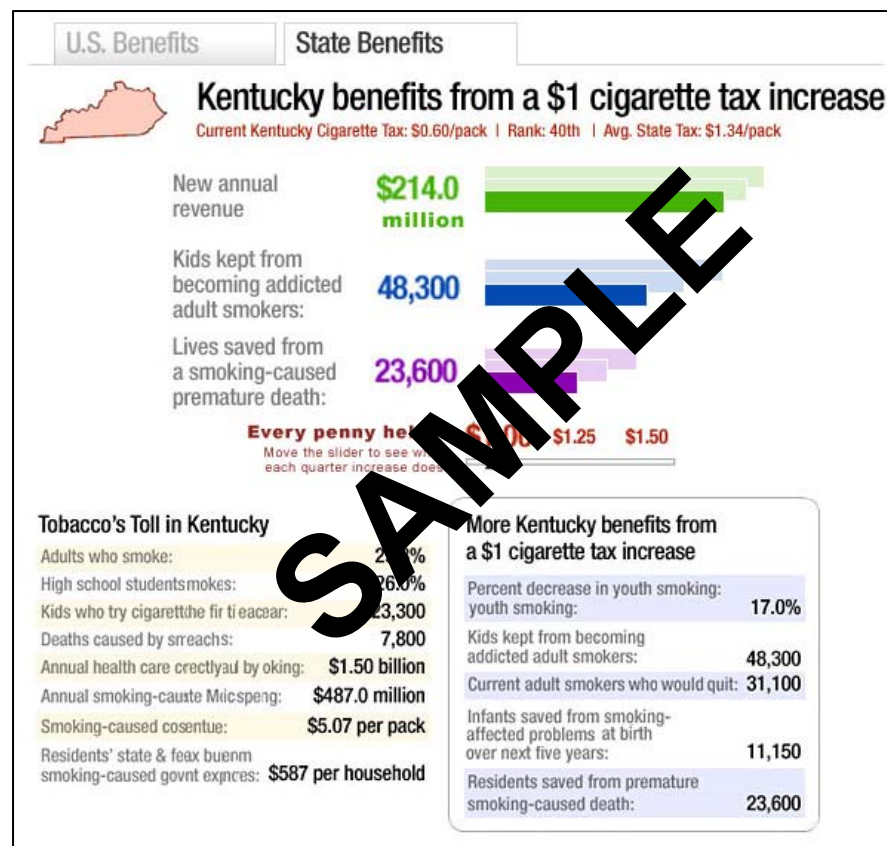
<u>Tobacco's Toll in Alabama</u>	
Adults who smoke	22.2%
High school students who smoke	26.8%
Kids (under 18) who try cigarettes for the first time each year	37,900
Deaths caused by smoking each year	7,500
Annual health care costs directly caused by smoking	\$1.49 billion
Annual smoking-caused state Medicaid spending	\$238.0 million
Smoking-caused costs in Alabama	\$8.97 per pack
Residents' state & federal tax burden from smoking-caused government expenditures	\$544 per household

Sample Images from Report Website

Landing Page



State-Specific Page



Tax Report Widget

(design not finalized)



- ✓ excellent way to spread the word about the benefits of tobacco tax increases
- ✓ install on websites, Facebook pages, blogs
- ✓ email to a reporter, who can use the widget within the text of their story on their online news portal

Got Media?

Dan Cronin

dcronin@tobaccofreekids.org



TFK's Outreach Efforts

- National release
- A release for each state and DC
- A national radio media tour with Danny doing the interviews
- Danny and Dr. Frank Chaloupka filming television interviews
- The story is being pitched to national publications like *USA Today*, *Wall Street Journal*, and *New York Times*

National Release

FOR IMMEDIATE RELEASE: February 10, 2010
CONTACT: Dan Cronin 202-296-5469

69% of Voters Support Raising Tobacco Taxes to Close State Budget Deficits and Save Key Programs

Results show broad national support for tax increase for economic and health benefits

Washington, DC (February 10, 2010) – A new national poll released today finds 69% of voters across the country support raising tobacco taxes 10¢ per packet to help their state's budget deficit and save programs like education.

The poll was released by a coalition of public health groups in conjunction with their new report "A Win-Win-win for Cash-Strapped States: Tobacco Taxes Raise Revenue, Protect Kids and Please Voters."

"This poll shows what we have known for a long time – people would rather see the cost of cigarettes and cigars go up than see teachers laid-off or law enforcement cut. As we face rising deficits and the need to make tough choices in popular programs raising the tobacco tax now is a no-brainer for voters and legislators across the country."

The poll found that voters prefer raising the state tobacco tax to other options for addressing state budget deficits. 69 percent favored increasing the tobacco tax, at the same time more than two-thirds opposed other options presented, including higher state income, property, gasoline and sales taxes or cuts to education, health care, transportation and law enforcement programs (detailed poll results can be found at www.tobaccofreekids.org/XXX).

The scientific evidence is clear that increasing cigarette prices is one of the most effective ways to reduce smoking, especially among youth. According to the report released with the poll states can achieve even greater financial and health benefits if they also increase the tax on other tobacco products, such as chewing tobacco and cigars, and use some of their tobacco tax revenues to fund programs to prevent kids from smoking and help smokers quit.

The Campaign for Tobacco-Free Kids, American Cancer Society Cancer Action Network, American Heart Association and American Lung Association commissioned the poll, which was done by XXX and had a margin of error of X%.

###



Outreach Materials for Advocates

- Sample letters to the editor
- Sample op-ed for you to submit
- Sample editorial board memo for you to circulate
- Sample print ads
- TFK online toolkit (a link will be circulated in the next few days)

Like most (INSERT STATE NAME) I am concerned about how much Governor X and the legislature will have to cut the state budget. Fortunately there are things we can do to keep essential services like police, fire fighters, and education from being slashed.

As your recent story "STORY NAME" pointed out raising the tobacco tax by \$1 would be a good place to start. The report in your story makes the point that the new tax could bring in \$XXX in revenue, money which could be used to save important programs or limit other tax increases.

In addition to the money brought in, tobacco taxes have been shown to keep kids from smoking – which is something everyone can support.

When it comes time to vote for the budget I hope our representatives in (INSERT CAPITAL CITY NAME) will support raising the tobacco tax.

XXX

I am writing in response to the story "STORY NAME". As you point out raising tobacco taxes is one way to address our state's budget deficit and keep kids from smoking.

In times like these we need to tap every possible source of revenue or we will face dramatic cuts in education and other important programs. If raising tobacco taxes brings in \$XX like your story says that could help soften the blow.

Outside of its impact on our state budget, raising tobacco prices also has many health benefits. As your article mentions raising prices will keep kids from starting to smoke and encourage current smokers to stop. This sounds like a smart way to protect people from cancer and other smoking related problems.

If our leaders in (STATE CAPITAL NAME) like Senator (INSERT NAME) are serious about dealing the state budget and making (STATE) healthier they should look at increasing the tobacco tax.

Sample Letter to the Editor

Sample Op-Ed

A Healthy Solution for the State Budget

Over the years it has been said that governing is about making tough choices when you didn't want to. It is safe to say that right now is one of those times that will prove that old cliché right.

As everyone knows our state faces a large and growing budget deficit. Governor X and the legislature must choose between either raising taxes or cutting spending for programs like education and law enforcement. These are not very popular options and risk hurting vital services that we need especially when the economy is sluggish.

While it seems our elected leaders are trapped between two difficult choices there are options that need to be considered. One of them has to be raising the state's tobacco tax. This will bring in much needed revenue, help to address a major public health challenge, and is one of the few taxes increases voters can stomach.

In fact a new report sponsored by public health groups like the Campaign for Tobacco-Free Kids and the American Lung Association estimates raising the tobacco tax one dollar will bring in X in new revenue for the state. This is money legislators can use right now to stop severe cuts in programs and also keep them from raising the state's income or sales tax.

The report, "*A Win-Win for Cash-Strapped States: Tobacco Taxes Raise Revenue, Protect Kids and Plead for Seniors*" also shows the long term health care savings that will come from higher tobacco prices. Right now, health problems connected to smoking and other tobacco products cost (STATE NAME) \$X in health care costs every year, including just in Medicaid payments alone.

By raising the tobacco tax we can attack the amount (People from our state) are forced to spend on tobacco related costs and save taxpayers money. This is based on the simple idea, backed up by years of evidence, that when you raise taxes on tobacco you encourage current smokers to quit and discourage young people from starting.

Common sense suggests that if fewer people smoke we will see healthcare costs connected to smoking decline as well; saving taxpayers money for years to come and helping prevent X premature deaths.

Even though we are working to tighten our belts increasing the tobacco tax can also open a new door for funding much-needed programs to prevent kids from starting to smoke and help smokers quit. Throughout the country these programs have been shown to be effective in combating smoking rates. (STATE) currently ranks XX in the nation in funding programs to protect kids from tobacco, so clearly there is work to do in this area. But a smart investment now from a portion of the \$X brought in by the new tobacco tax will pay off for years to come.

Got Research?

Danny McGoldrick

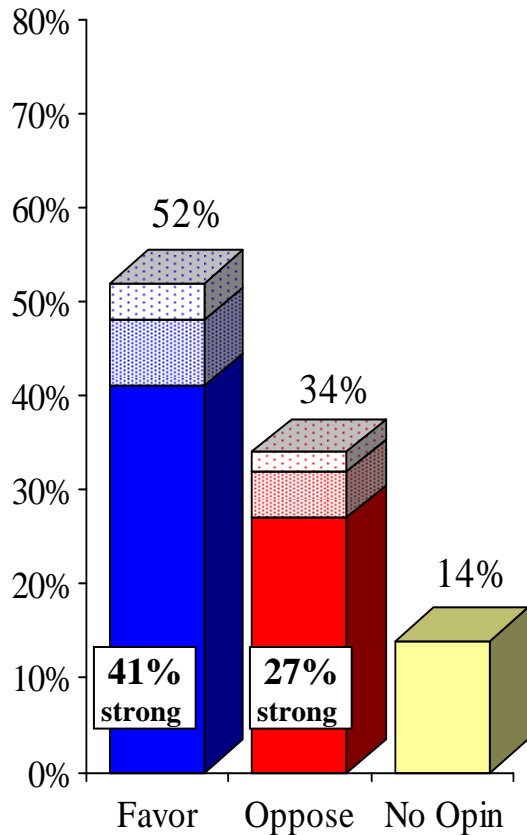
dmcgoldrick@tobaccofreekids.org

Developing The Message

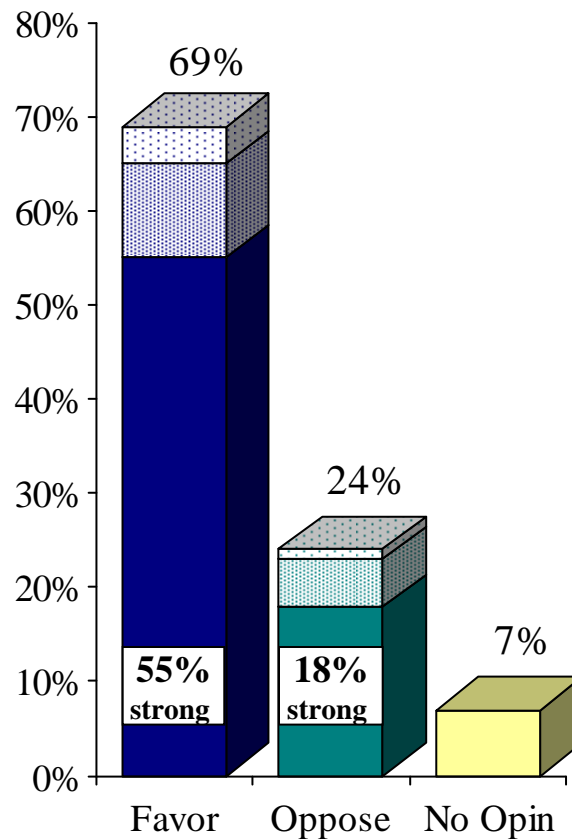
Polling: Including A Youth Smoking Prevention Component Increases Support For Tobacco Tax Hikes Substantially

The Exact Wording Of The Question Makes Little Difference

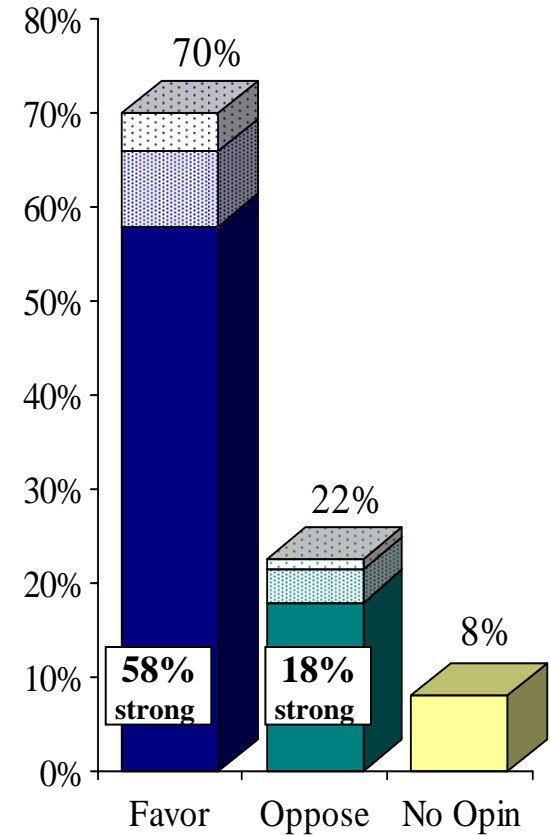
Would you favor or oppose an increase in the state tobacco tax?



... as part of an effort to help reduce smoking, particularly among kids



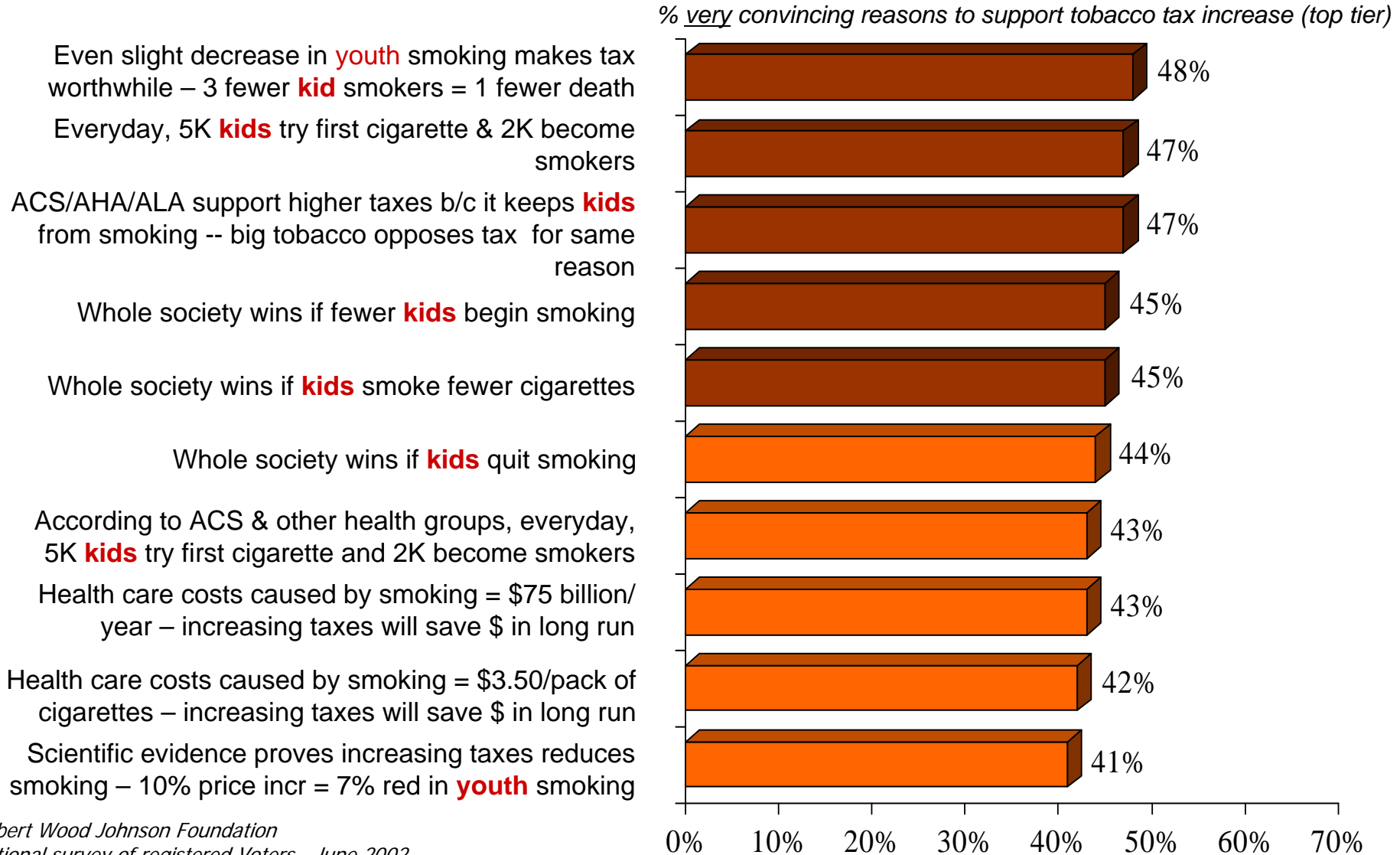
...if part of the money is used to fund programs to reduce tobacco use, particularly among kids



(darker shading=stronger intensity)

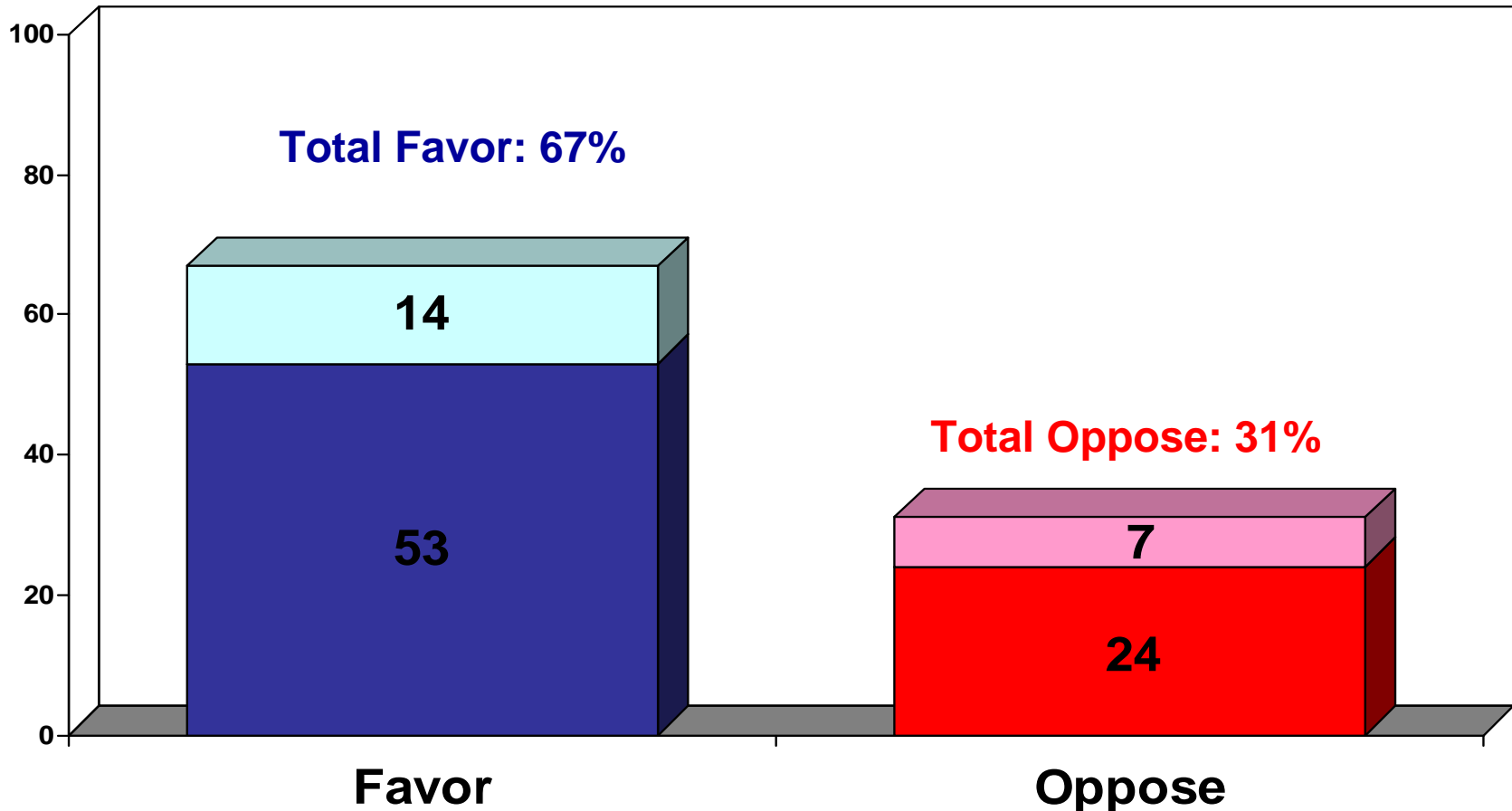
Polling: Most Convincing Reasons To Support Tobacco Tax Increase

Virtually all of the top arguments focus on kids and reducing youth smoking



Voters Favor A One Dollar Increase in the State Tobacco Tax

Would you FAVOR or OPPOSE a one dollar per pack increase in the state tobacco tax, with part of the revenue dedicated to a program to reduce tobacco use, particularly among kids, and the rest dedicated to addressing the state budget deficit?





Lessons from Policy Campaigns

What Do Policy Makers Want?

- A new and reliable source of revenue
- Support of the voters
- A way to talk about raising the tax



Message Platform

WIN, WIN, WIN

The Theme for Legislative Campaigns

- A **WIN** for the state budget (reliable, predictable source of much-needed revenue)
- A **WIN** for public health and kids (prevents and reduces youth and adult smoking)
- A **WIN** for politicians (or a win among voters)



Budget Win – Key Points

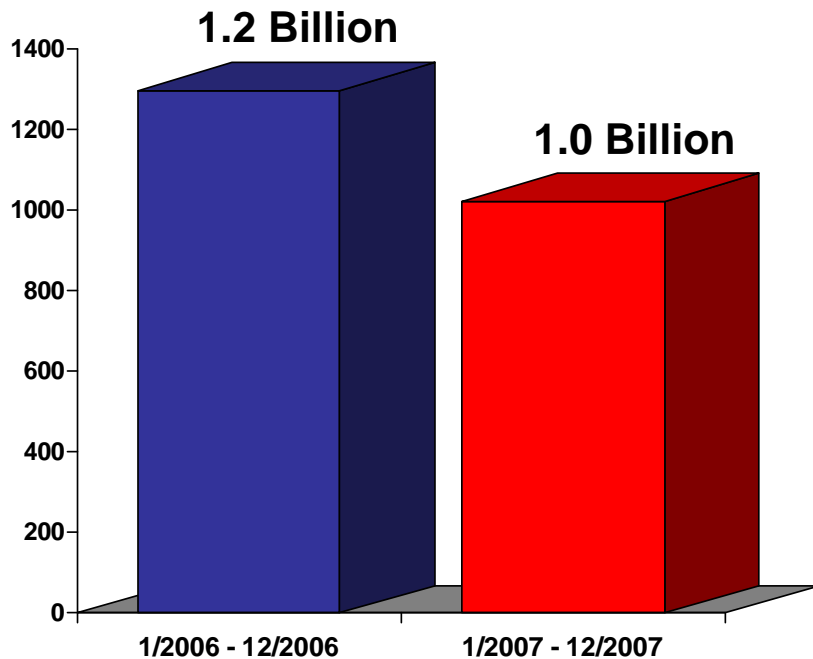
- Significant price increases will raise significant revenue despite declines in pack sales
- Revenue increases remain stable over a long period of time
- Any declines are gradual, predictable, and easily adjusted for (raise the tax again)

The Texas Tax Experience

From \$0.41 to \$1.41 on 1/1/07

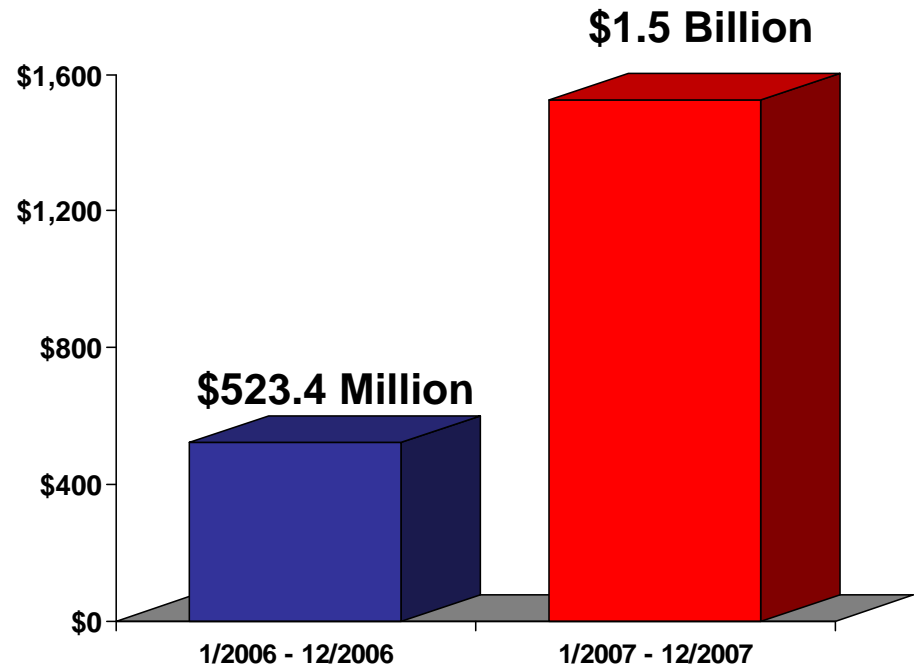
Packs Sold

- 21.0%



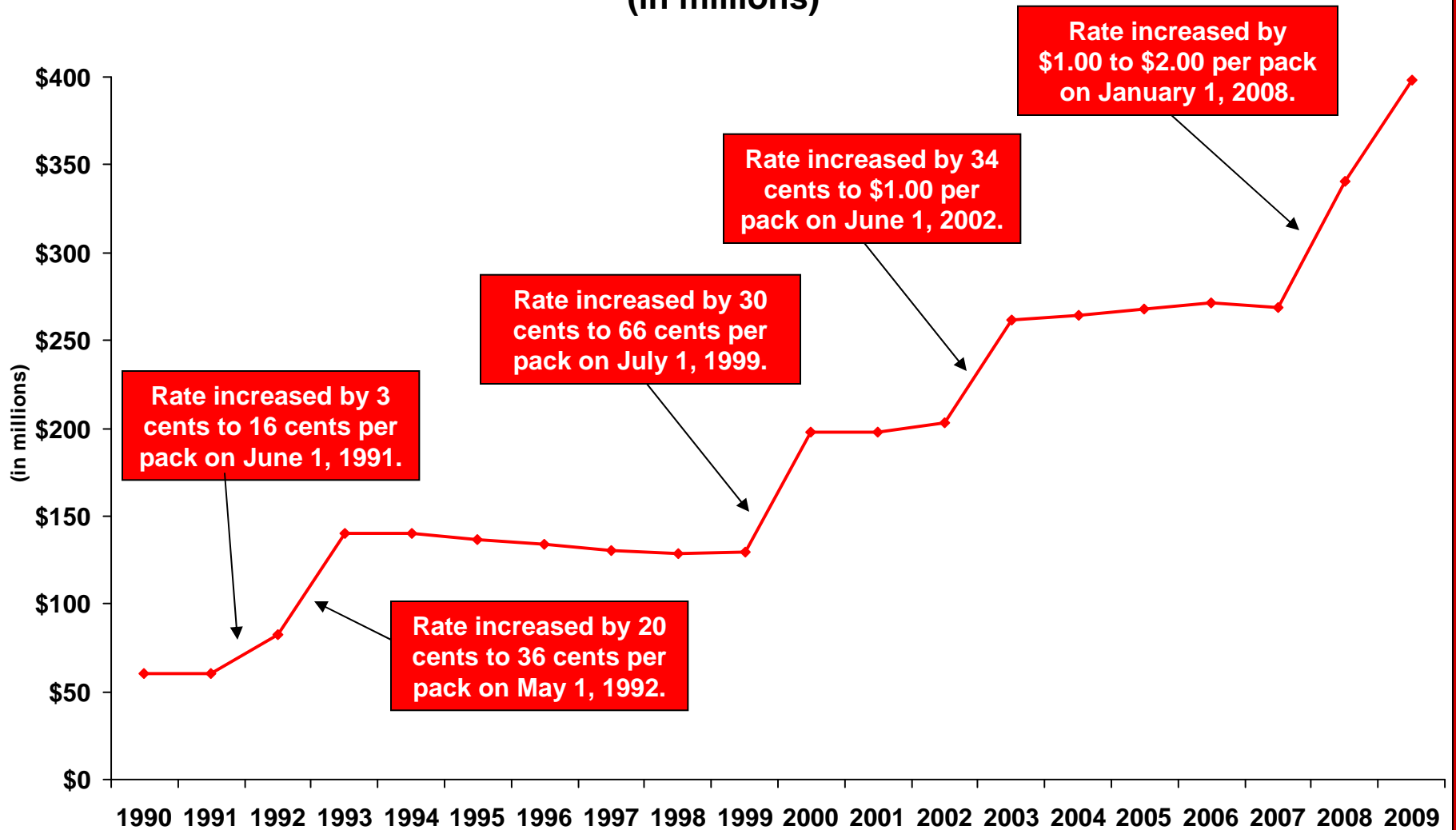
Revenues Collected

+ 191.7%



Maryland Cigarette Tax Revenues, 1990-2009

(in millions)



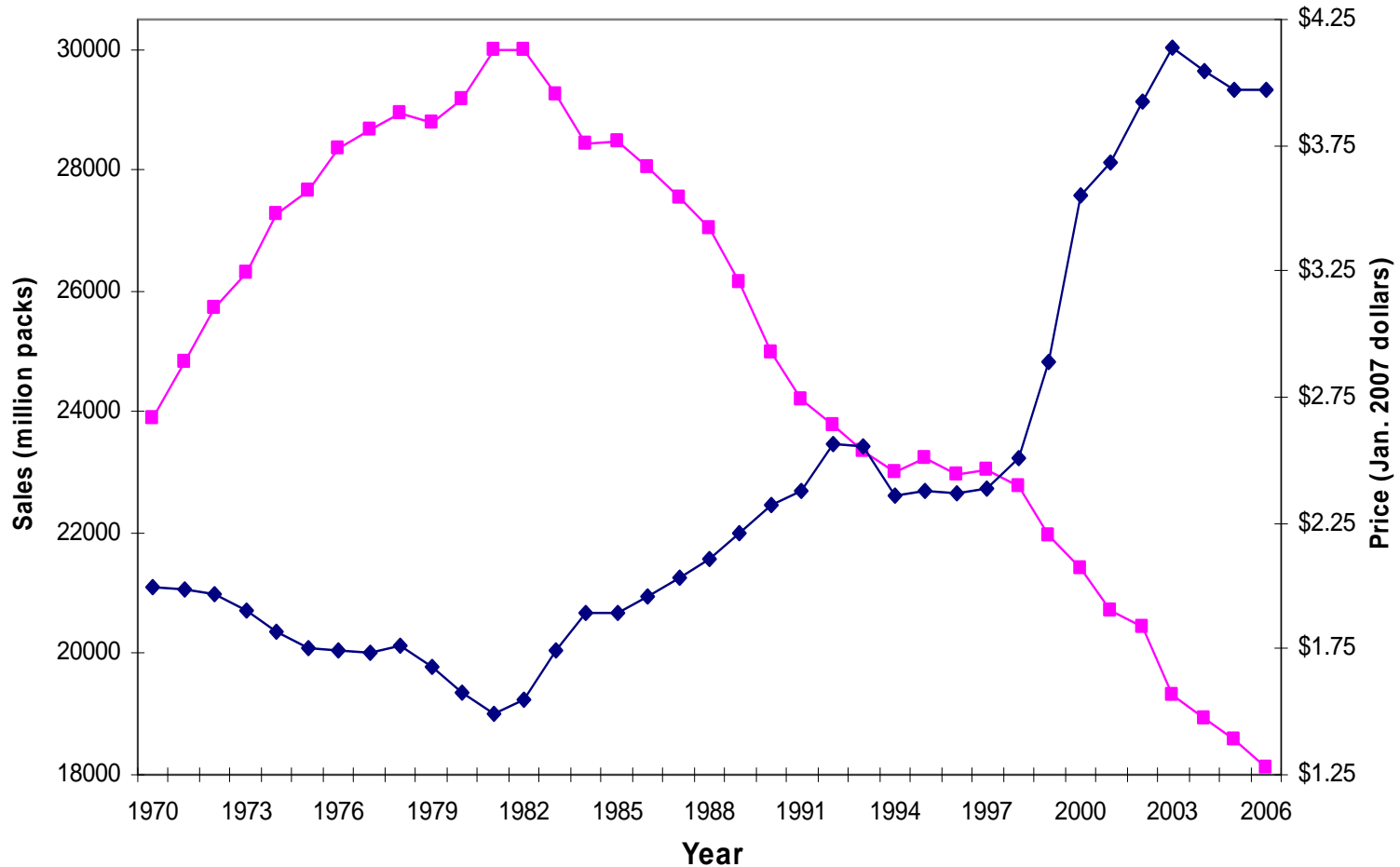


Public Health Win – Key Points

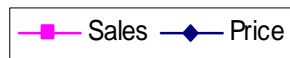
- **When prices go up, smoking goes down, especially among**
 - Kids
 - Pregnant Women
 - Lower Income Smokers
- **A \$ increase in price results in:**
 - XX fewer kids becoming smokers
 - XX smokers quitting
 - XX lives saved
- **An Even Bigger Health Win if Some of Tax Used for Prevention and Cessation**

The Science

Total Cigarette Prices and Cigarette Sales



Source: ImpacTeen



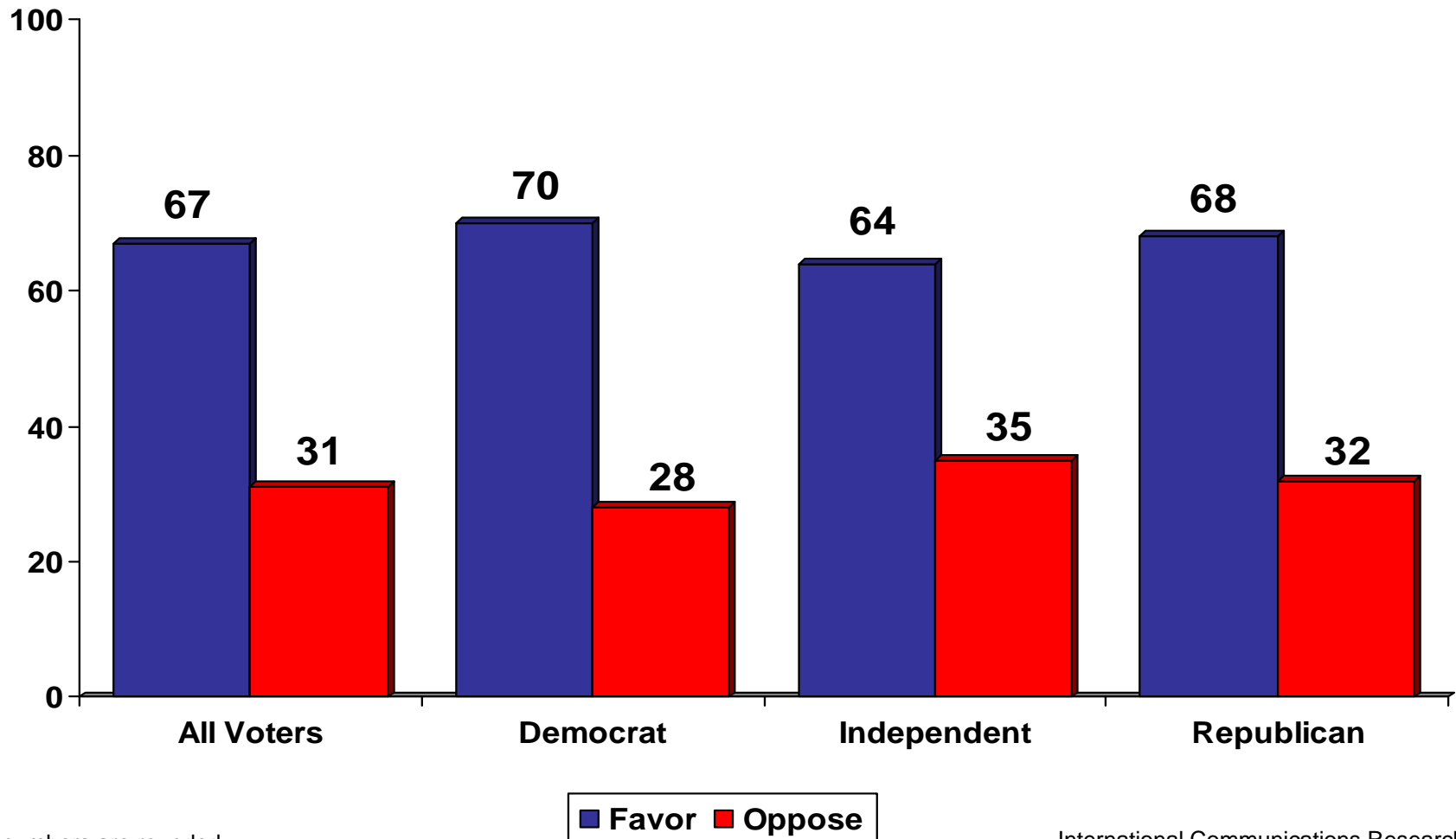


Political Win – Key Points

- Voters support tobacco tax increases
- Voter support is BIPARTISAN
- Voters OPPOSE other tax increases and cuts to important programs
- Voters support legislators who pass tobacco tax increases
- Voters support larger tax increases just as much as smaller tax increases

Support for a One Dollar Tobacco Tax Increase Remains Strong Across Party Lines

Would you FAVOR or OPPOSE a one dollar per pack increase in the state tobacco tax, with part of the revenue dedicated to a program to reduce tobacco use, particularly among kids, and the rest dedicated to addressing the state budget deficit?

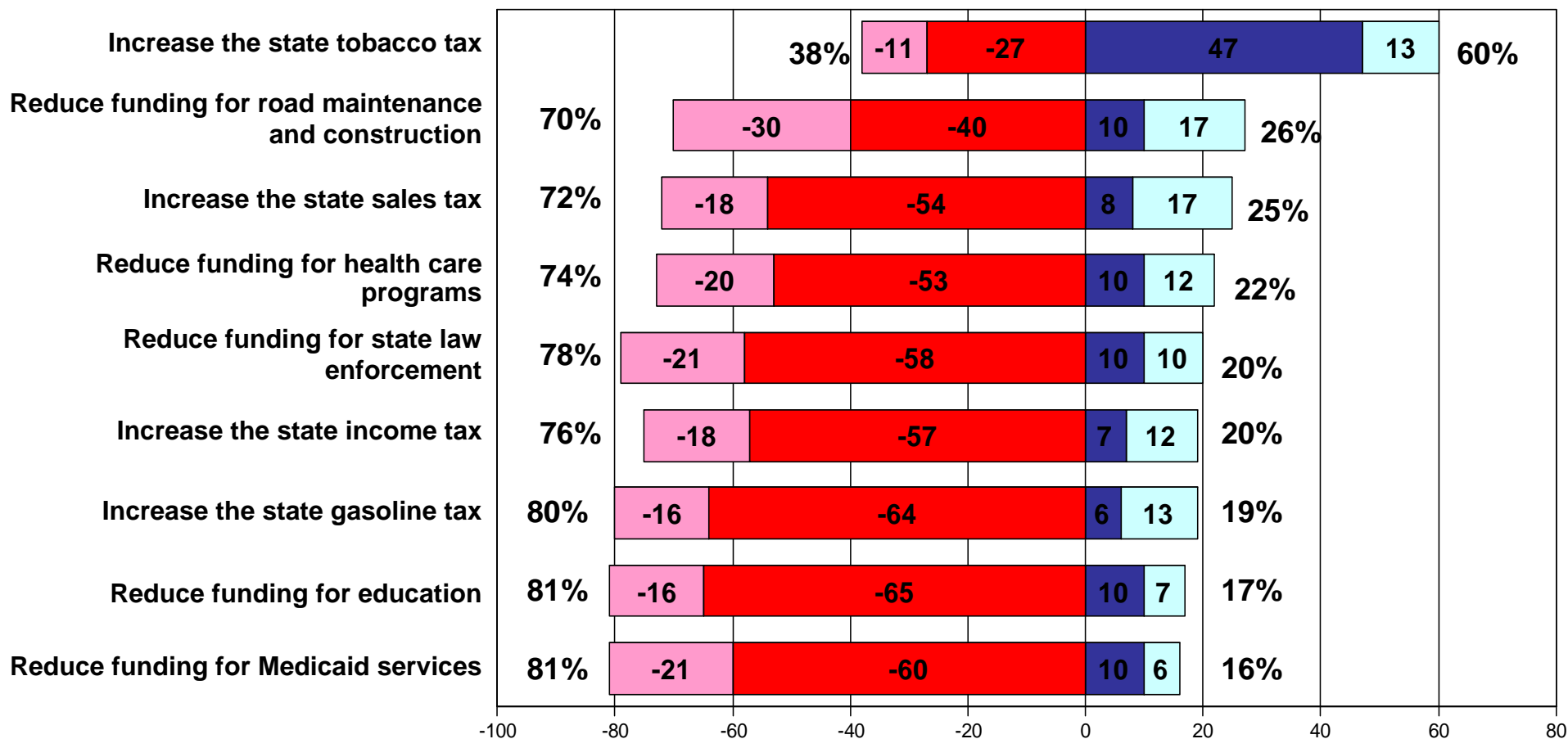
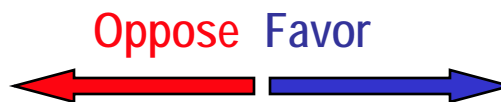


Total numbers are rounded

International Communications Research Survey
January 2010

Increasing The Tobacco Tax Is The Most Preferred Way To Address State Budget Deficits

As you may have heard, virtually all states are currently facing severe budget deficits. I am going to read you a list of proposals that have been suggested as a way to address the state budget deficit. After I read each one, please tell me if you FAVOR or OPPOSE that proposal.



Total numbers are rounded
Darker shading indicates stronger intensity

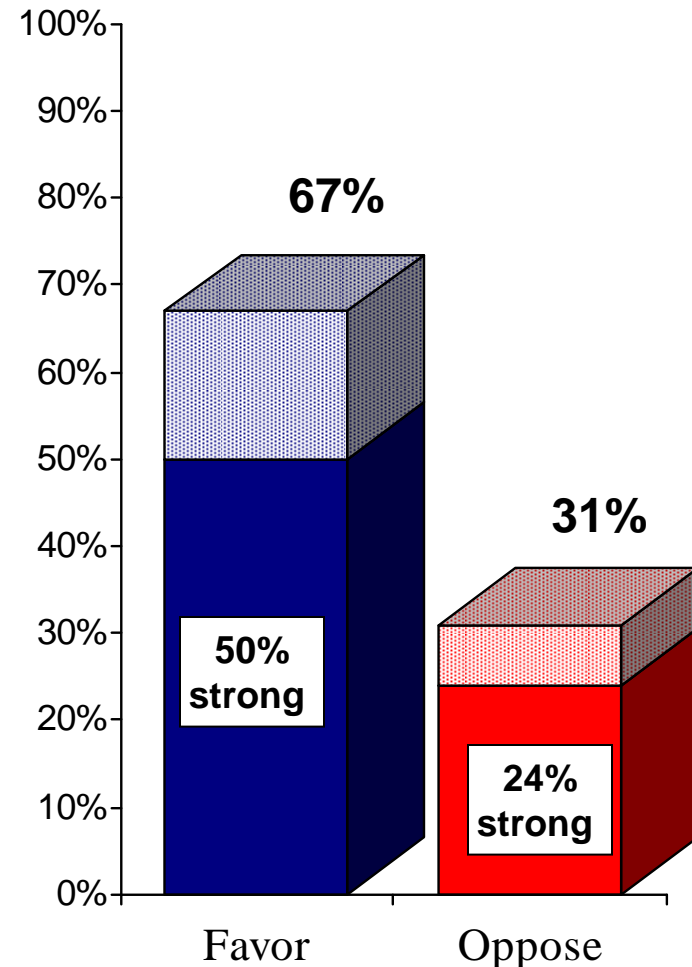
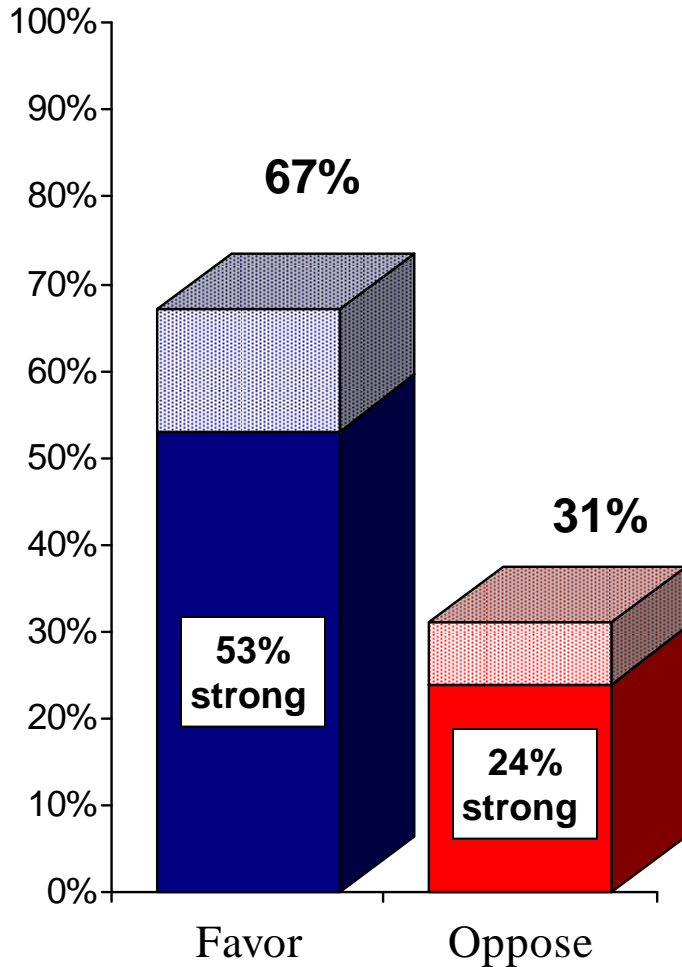
International Communications Research Survey
January 2010

Voters Support a Tobacco Tax Increase

There Is No Difference In Overall Support Between A \$1 And A 50-Cent Increase

\$1 Increase

50-cent Increase



Darker shading equals stronger intensity
Total numbers are rounded

International Communications Research Survey
January 2010

Got a Toolkit?

We'll send you a link to our online toolkit in the next few days



Media Materials in Online Toolkit

- State-specific press releases
 - Letters to the editor
 - Op-eds
 - Editorial board memo
 - Print ads
- Data for state-specific materials will also be provided



Research Materials in Online Toolkit

- TFK Factsheets:
 - Legislative Checklist for State Cigarette Tax Increases
 - Responses to Misleading and Inaccurate Cigarette Company Arguments Against State Cigarette Tax Increases
 - The Many Ways States Can Raise Revenues While Also Reducing Tobacco Use and Related Harms & Costs
 - List of all TFK tax resources
- Template poll (we can provide additional help if needed)
- Template Powerpoint Presentation



Key Questions for States

- Current budget situation
- Status of tobacco tax rates
- Political support – Governor? Legislature?
Targets?
- Key partners? Roles, strengths
- Unique opportunities

Got Questions?