

For Immediate Release

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## Protect kids and close the budget gap – raise the cigarette tax

*Coalition of health care advocates call on Legislators to take action to keep kids from becoming smokers and reduce health care costs by increasing the cigarette tax by \$1.50*

Augusta- With legislative budget writers examining a series of dire choices to close the shortfall in the Health and Human Services budget, a broad coalition of health care advocates<sup>1</sup> are renewing their call for Maine to raise the cigarette tax by \$1.50 per pack. Advocates say this would be a positive step to reduce teen smoking rates, lower short-term health care costs and lessen the severity of proposed budget cuts.

“Raising the cigarette tax is a proven measure that will improve the health of Maine people and reduce health care costs,” said Steven Michaud of the Maine Hospital Association. “When you raise the cigarette tax, people quit and kids don’t start. It’s that simple.”

Smoking remains the number one preventable cause of death and disease in Maine and America. The research is conclusive that when the cost of a pack of cigarettes increase, people quit, kids don’t start and health care costs are reduced. Maine hasn’t increased the cigarette tax since 2005 and now has the second lowest cigarette tax in New England at \$2.00 per pack. A \$1.50 per pack increase in the cigarette excise tax would provide the state with an estimated \$47.9 million in fiscal year 2013.<sup>2</sup>

“In addition, when Maine cigarette taxes increase, New Hampshire sales decline or stay the same. Maine cigarette tax increases do not create a market for cross-border sales”<sup>3</sup> says Gordon Smith of the Maine Medical Association.

“The Governor has proposed cuts to tobacco cessation programs and to tobacco prevention and control programs” said Hilary Schneider of the American Cancer Society. “Increasing the cigarette tax will provide the legislature with options to make restorations to these and other services.”

Despite past gains in reducing the rate of people who smoke, the rate has plateaued and even risen slightly in recent years. The latest available data shows 18.2 percent of adults reporting themselves as regular smokers. The rate of high school students who smoke went up from 14 percent in 2007 to 18.1 percent in 2009. Data for 2011 is not yet published.

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<sup>1</sup> Coalition includes Maine Medical Association, Maine Hospital Association, Maine Public Health Association, Maine Osteopathic Association, Maine Primary Care Association, MaineHealth, Central Maine Health Care, Eastern Maine Health Systems, American Lung Association-Maine, American Cancer Society-Maine, American Heart & American Stroke Association and the Campaign for Tobacco-Free Kids.

<sup>2</sup> Unpublished data: Cancer Action Network & Campaign for Tobacco Free Kids: “New Revenues, Public Health Benefits & Cost Savings from a \$1.50 Cigarette Tax Increase in Maine” January 4, 2012.

<sup>3</sup> Orzechowski and Walker, The Tax Burden on Tobacco, Historic Compilation, Vol. 44, 2010

"The Maine Legislature faces a significant challenge as it seeks ways to address the MaineCare shortfall while protecting Maine's most vulnerable populations," said Deborah Deatruck of MaineHealth. "We encourage the Maine Legislature to embrace an increase in the tobacco tax as a means to achieving both goals."

Tobacco use costs Maine's health care system more than \$600 million in health care costs every year - \$216 million of that is picked up by Maine taxpayers through the state's MaineCare program. An American Cancer Society Cancer Action Network and Campaign for Tobacco Free Kids analysis has shown that increasing the cigarette tax by \$1.50 could reduce teen smoking rates by 15.3% -meaning that as many as 8,900 Maine kids will never become addicted to tobacco. The hike could also motivate nearly 8,600 adults to quit and help to avoid nearly 5,100 premature deaths due to tobacco use.