



Talking Points in Support of Increasing NC's Cigarette Tax By at Least 75-cents (May 2005)

Protects NC's Children: Raising NC's cigarette tax to 75-cents will protect NC's children from the addictive and too often deadly habit of smoking.

- Every 10% increase in the cost of a pack of cigarettes results in a decrease of 7% in the number of youth who begin to smoke.¹
- Of the 24,000 kids in NC who take up smoking each year, approximately 8,200 will go on to die prematurely due to smoking-related disease such as lung cancer, heart disease & stroke.²
- 34% of NC's high school students use tobacco products.³ The average age of a first-time smoker is thirteen.⁴ Since the early '90s, smoking among 8-10th graders has increased 50%.⁵ The proven, most effective way to reduce youth smoking is to increase the cost of cigarettes.⁶

Will Reduce Health Care Costs to the State:

- Smoking related disease and the resulting lost productivity costs the state \$4.75 billion per year.⁷ These costs are projected to grow over time.
- North Carolinians pay nearly \$5.90 a pack or roughly \$498 a year⁸ of their income to cover the annual \$1.9 billion dollar smoking related health care costs borne by taxpayers via Medicaid and Medicare expenditures.⁹
- We cannot afford to keep paying the unnecessary & avoidable costs associated with smoking.

Generates Needed Revenue:

- Increasing the cigarette tax by 75-cents is estimated to raise ~ \$380 million in new revenue.¹⁰ The additional revenue would help reduce the state's projected deficit if significant needs are addressed, such as state employee raises and public school and university enrollment increases.

Reduces Smoking Among Pregnant Women:

- Currently 15% of pregnant women in NC are smokers¹¹ threatening the health and life of both the mother and baby. With a 75-cent increase in the cost of a pack of cigarettes, there will be a 17.5% decrease in the number of pregnant NC women who smoke.¹²

Will Not Hurt NC's Farmers:

- An increase in NC's cigarette tax would not affect NC farmers, as their market is nationwide and worldwide. A 75-cent cigarette tax increase is estimated to reduce NC's adult cigarette consumption by approximately 10%. Such a reduction in consumption would only reduce the overall demand for all American-grown flue cured tobacco by approximately one tenth of one percent.¹³

Consistent with National Trends:

- NC's tax is currently 5-cents, the LOWEST in the nation. With an increase of 75-cents, we will be close to the national average (currently 84-cents).
- North Carolina is not alone in seeking a significant increase in its cigarette tax. 38 states have raised their cigarette taxes in the last two years. All other tobacco-producing states in the Southeast have either already raised their tax or are seeking to do so in 2005. *In early March, Kentucky raised its tax by 27 cents from 3 to 30 cents.* In April 2004, Virginia raised its tax from 2.5 cents to 30 cents (fully in effect in 2005). In 2003, West Virginia raised its tax from 17-cents to 55-cents while Georgia passed a tax increase from 12-cents to 37-cents.

For more information, contact NC Alliance for Health

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¹ Chaloupka, F. (2002) *Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products*. **Nicotine and Tobacco Research**; Tauras, J., et al. (2001) *Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis*. Bridging the Gap Research, www.impactteen.org/researchproducts.htm.

² Centers for Disease Control Health Consequences, www.cdc.gov/tobacco/hlthcon.htm

³ NC Youth Tobacco Survey, 2003

⁴ American Cancer Society

⁵ CDC State Tobacco Activities Tracking and Evaluation (STATE)

⁶ Guide to Community Preventive Services: Tobacco Use Prevention and Control: Recommendations to date. (CDC November 2000 Morbidity and Mortality Weekly Report (MMWR) (49; RR-12 Feb. 2001. American Journal of Preventive Medicine (AFPM) (20 (IS) 1-88).

⁷ Smoking Attributable Morbidity, Mortality & Economic Costs, Office of Smoking & Health, CDC, 2002

⁸ Campaign for Tobacco Free Kids

⁹ CDC NC Profile at <http://www.cdc.gov/tobacco/statehighlights.htm>)

¹⁰ NC Fiscal Analysis Memorandum 03/12/03

¹¹ NC Prevention Partners, 2004.

¹² Ringel, J. S. & W. N. Evans (2001). *Cigarette taxes and smoking during pregnancy*. American Journal of Public Health 91(11): 1851-6.

¹³ Campaign for Tobacco Free Kids