



Invest in a Healthy Louisiana

A tobacco tax increase is a great investment in our future

Why increase the tax on cigarettes and other tobacco products?

Tobacco tax increases are one of the most effective ways to reduce tobacco use, especially among kids. According to the Campaign for Tobacco-Free Kids and the American Cancer Society Cancer Action Network, raising the cigarette tax by \$1.25 will prevent 22,800 kids from becoming smokers.

DON'T BELIEVE THE NAYSAYERS

Myth If Louisianans quit smoking, the revenue will go down, and those who don't quit will just go across the border to buy cigarettes in cheaper neighboring states

Fact Every single state that has raised its cigarette tax rate significantly has subsequently received more tax revenue than they would have received without a rate increase, despite the fact that cigarette tax increases reduce smoking levels and despite any related increases in cigarette smuggling, tax evasion or cross-border sales. That is, the increased tax per pack brings in more new state revenue than is lost from any related reductions in the number of packs sold and taxed in the state. Moreover, the substantially higher revenue levels enjoyed by states that significantly increase their tobacco tax rates persist over time (while the cost savings from the related smoking declines grow rapidly).

Myth This is a regressive tax that disproportionately impacts the poor.

Fact Actually, it is the harms from smoking that are regressive. Lower-income communities already suffer disproportionately from smoking-caused disease, disability, death and costs. Research shows that lower-income smokers are more price-sensitive and more likely to quit in response to a price increase. By prompting more lower-income smokers to quit or cut back, raising state cigarette tax rates will reduce those regressive harms and costs, directly helping lower-income smokers and also reducing smoking-caused costs and harms to their families. The state can further help lower-income smokers to quit by directing some of the revenues generated by this tax increase toward supporting proven cessation services for these communities.

Myth Tobacco taxes are an unreliable source of funds for the state.

Fact Year to year, state tobacco tax revenues are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues, which can vary considerably each year because of nationwide recessions or state economic slowdowns. In sharp contrast, large drops in tobacco tax revenue from one year to the next are quite rare because of the addictive power of cigarettes. Moreover, the smoking-reduction revenue declines will occur at a gradual, predictable rate (as related savings grow), as more and more people quit smoking over time.

CURRENT TAX: 86 cents per pack
(36th among the 50 states and DC)
National average is **\$1.61**

ANNUAL HEALTH CARE EXPENDITURES IN LOUISIANA
directly caused by tobacco use: **\$1.89 billion**
