



Who is supporting this proposal?

Gov. Beshear has proposed a 70-cent cigarette tax increase as a part of his plan to balance the budget. Health advocates (Am Heart Assoc, Am Lung Assoc, Am Cancer Soc, and numerous state agencies) are supporting an even higher increase of \$1 per pack to gain additional health benefits. Recent polls show that 69% of registered voters in the state support a \$1 per pack increase.

What is the current cigarette tax?

KY currently has a 30-cent per pack cigarette tax.

What is the national average state cigarette tax?

The national average for state tobacco taxes is \$1.19 per pack.

Does KY have the lowest cigarette tax?

KY does not currently have the lowest cigarette tax, but we do have the fourth lowest rate in the country.

Is smoking really a problem in KY?

New studies just released this week by the CDC again show KY to have the highest death rates from smoking of any state in the country. We have the highest adult smoking rate (28%), second highest youth smoking rate (26%) and nearly double the national average of percentage of pregnant women who smoke (25%). Nearly 7,800 Kentuckians die each year from smoking related disease.

There is \$1.5 Billion spent in KY each year to treat tobacco-related disease. Over \$480 million of that is in direct Medicaid payments – meaning that each household in KY spends nearly \$600 each year in taxes to treat sick smokers in our state.

Do tobacco tax increases really work to reduce smoking?

Tobacco tax increases have repeatedly been shown through scientific studies to be the single most effective thing that can be done to reduce smoking – especially among kids and pregnant women. This fact is even supported by released internal documents from the cigarette manufacturers. A 10% increase in the overall price of cigarettes consistently yields a 7% reduction in youth smoking rates and a 2% overall adult decline. The higher the increase, the greater the health effects will be.

Does reduced smoking really mean health savings?

Absolutely yes. Experts predict that a 70-cent tobacco tax increase in KY would result in over \$40 million in health care savings related to heart disease, stroke and smoking affected births in the next five years alone. Long term overall healthcare savings are projected to reach more than \$1.25 billion in our state.

Don't tobacco tax revenues decline over time?

Yes, as more people continue to quit smoking revenues do decline. Unlike other revenue sources, however, tobacco tax revenues are VERY predictable and easily planned for in state budgeting. Over time, the loss in revenue is offset by the massive health care savings that accompany the associated declines in smoking.

How much money will be generated with a 70-cent tobacco increase?

Conservative estimates predict that a 70-cent per pack tobacco tax increase will generate more than \$200 million in new revenue for the state of Kentucky.

For more information:

<http://www.kentuckyaction.org>

<http://www.tobaccofreekids.org>