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GOVERNOR DANIELS' CALL FOR A CIGARETTE TAX INCREASE **A "HEALTH WIN" FOR HOOSIERS**

INDIANAPOLIS – Officials representing Indiana Tobacco Prevention and Cessation (ITPC) Agency today commended Indiana Governor Mitch Daniels' call for an increase in the cigarette excise tax and increased funding for tobacco prevention and cessation as the starting path to a "... health victory for Indiana" that will prevent youth initiation, reduce adult tobacco use and save Hoosier lives.

"ITPC and our statewide network of over 1,600 local organizations involved in tobacco prevention applauds Governor Daniels' proposed cigarette tax increase because raising the price of cigarettes is a smart and proven public health solution to reduce smoking," said Karla Sneegas, ITPC's executive director. "His plan to dedicate a portion of this tax to fully fund tobacco prevention and cessation at the level recommended by the Centers for Disease Control is a breath of fresh air for all Hoosiers."

Studies show that every 10 percent increase in the price of cigarettes reduces youth smoking by seven percent and overall cigarette consumption by roughly four percent. A recent study also shows that a 10 percent increase in the price of cigarettes raises the probability that people will attempt to quit smoking by as much as 12 percent. Research shows that Indiana can expect a \$.25 cent per pack cigarette tax increase to:

- prevent over 22,000 kids alive today from becoming future smokers
- help 13,200 current adult smokers to quit and
- save more than \$500 million dollars in long-term healthcare costs savings with as much as \$6.8 million from health care costs for smoking-related pregnancies and births.

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Tobacco use is the leading preventable cause of death in Indiana, claiming more than 9,700 lives each year and costing the state in excess of \$2.0 billion annually in health care expenditures.

The potential health return is especially good for Indiana's youth.

"Governor Daniels' proposal is a win for children's health that will lead to future benefits," Sneegas said. "Since 90% of daily smokers start before they turn 18, a reduction in youth smoking will reap benefits for generations to come."

Another interesting fact – delivered as part of a recent presentation in Indianapolis by Frank J. Chaloupka, Ph.D., of the Health Policy Center at the University of Illinois at Chicago – is that smoking in households with a below median income are four times more responsive to price than those in higher income categories.

"We know that people with lower incomes are also the most vulnerable when it comes to higher health care costs, as a result, this proposal can only provide for a better future for thousands of Hoosiers," said Sneegas.

Increasing Indiana's commitment to fund tobacco prevention and cessation at levels recommended by the U.S. Centers for Disease Control will deliver results. After 10 years of investment, California found that for every \$1.00 spent on tobacco control, the state saved \$3.50 in direct health care costs. Currently, Indiana spends \$10.8 million annually on tobacco cessation; a rate that is just 31 percent of the level as recommended by the CDC.

"Every scientific authority that has studied this issue has concluded that when properly funded and implemented, comprehensive state tobacco prevention and cessation reduce smoking, reduce tobacco use among both kids and adults," added Sneegas.

Indiana's cigarette tax was last raised in 2002 from 15.5 cents to 55.5 cents. Cigarette consumption dropped by 18% in the 12 months following this increase.

Indiana's present cigarette tax of 55.5 cents puts Indiana as the lowest in the Midwest (below states of Michigan, Illinois, Wisconsin, and Ohio), and stands 44.5 cents per pack below the national average of 99.7 cents per pack. There are 22 states with a cigarette tax rate of \$1.00 or more. Six states have cigarette tax rates of \$2.00 or more with the highest being New Jersey at \$2.57 per pack.

The ITPC Executive Board was created to oversee funding from Indiana's share of the 1998 Master Settlement Agreement from the tobacco companies. Judith Monroe, M.D. and Indiana's State Health Commissioner, chairs the Board. The Board oversees the comprehensive tobacco control program, which includes media components, special youth features, enforcement, cessation initiatives and community programs in every county in Indiana. To learn more about ITPC's efforts, visit their Web sites at www.WhiteLies.tv or its youth movement at www.Voice.tv.