



TO: Indiana Editorial Writers
FROM: Campaign for Tobacco-Free Kids (Contact: Jennifer Friedman, 202-296-5469)
DATE: **EMBARGOED UNTIL 10:00 AM EST, NOVEMBER 17, 2006**
RE: Governor Daniels' Cigarette Tax Increase Proposal is Critical Initiative that Legislators Should Build on by Raising the Tax by \$1 Per Pack to Save Lives and Money

Governor Mitch Daniels today will propose an initiative that is critical to improving the health of Hoosiers and lowering healthcare costs. His plan for increasing the cigarette tax and funding tobacco prevention is a remarkable step forward that will dramatically impact the devastating toll of tobacco on Hoosiers. Governor Daniels' proposal will fund the state's highly successful and innovative tobacco prevention programs, run by the Indiana Tobacco Prevention and Cessation Agency (ITPC), at the minimum amount recommended by the U.S. Centers for Disease Control and Prevention (CDC). Indiana has provided less than a third of that recommended funding amount in recent years following crippling budget cuts. We applaud Governor Daniels for his leadership and foresight in taking a stand against the number one preventable cause of Hoosier death and disease and for proposing critical, proven solutions that will reduce smoking and save lives.

We agree with Indiana public health and faith groups that legislators should raise the cigarette tax by \$1 per pack. Governor Daniels' proposal calls for an increase of at least 25 cents per pack while opening the door for legislators to determine a higher increase.

A significant cigarette tax increase combined with full funding for tobacco prevention and cessation programs will deliver the maximum health and economic benefit for Hoosiers. These steps will prevent kids from starting to smoke, help smokers quit, save lives, and save taxpayers money by reducing smoking-caused health care costs.

According to the 2005 Indiana Behavior Risk Factor Surveillance System survey released in May, an increasing number of Hoosiers are once again becoming addicted to tobacco. Indiana now has the second highest adult smoking rate in the country after Kentucky. This disappointing news is not surprising because state leaders in recent years have cut funding for the ITPC program by 70 percent.

Science and experience have shown that increasing the cigarette tax is one of the most effective ways to reduce smoking among both youth and adults, especially when some of the revenue is used to fund tobacco prevention and cessation programs. Indiana can expect a \$1 per pack cigarette tax increase to prevent some 102,900 Indiana kids alive today from becoming smokers, save 45,600 Hoosiers from smoking-caused deaths, produce 2.1 billion in long-term health care savings, and raise more than \$339.3 million in new revenue each year. The benefits will be even greater, and continue to increase over the long-term, if the new revenue is used to fund tobacco prevention and cessation.

Indiana's current cigarette tax of 55.5 cents per pack is well below the average state cigarette tax of \$1 dollar per pack. Twenty-two states have cigarette tax rates of \$1.00 or more and six states have cigarette tax rates of \$2 or more. Nearby Chicago currently has the highest tax rate in the country at \$3.66 in combined state, county, and city taxes. Indiana's cigarette tax is far below most neighboring states. For example, Michigan's cigarette tax is \$2.00 per pack and Ohio's is \$1.25 per pack.