

The Facts on Increasing Tobacco Taxes

Myth #1:

State revenues will decline because people will quit buying cigarettes.

Fact: The increased state revenues per pack, due to a tax increase, more than make up for revenue losses from fewer cigarette sales.

Fact: Every state that has increased tobacco taxes has increased revenues (in spite of prompting significant smoking declines).

Additional information on how state revenues will increase with higher tobacco taxes can be found [here](#).

Myth #2:

Tobacco taxes are regressive taxes.

Fact: Smoking (not cigarette taxes) is the seriously regressive problem, with more lower income persons burdened by the costs of smoking-caused disease and premature death than higher income persons.

Fact: Cigarette tax increases work more powerfully to prevent and reduce smoking among lower income persons than among higher income persons¹. Lower income persons are more likely to never start smoking, quit or reduce their smoking because of a cigarette tax increase than higher income smokers -- and are more likely to experience better health and lower healthcare costs while spending less of their income on cigarettes.

Fact: Cigarette tax increases have no financial impact on the vast majority of lower income persons who do not smoke.

Fact: Cigarette taxes apply equally to higher and lower income smokers. Cigarette tax increases raise the price per pack paid by lower income smokers by the exact same amount that they increase the price per pack paid by higher income smokers.

Additional information on how tobacco taxes benefit all citizens can be found [here](#).

¹ CDC, "Responses to cigarette prices by race/ethnicity, income, and age groups-U.S. 1976-1993", Morbidity and Mortality Weekly Report (MMWR); Chaloupka F. and Pacula R. "An examination of gender and race differences in youth smoking responsiveness to price and tobacco control policies," National Bureau of Economic Research, 1998.

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