

FOR IMMEDIATE RELEASE

CONTACT: John Kartch

1 OCTOBER 2008

Kelly Cobb
202-785-0266

Utah Anti-Tobacco Coalition Proposes Largest Cigarette Tax Hike in Nation's History

Washington, D.C. – A coalition of anti-tobacco advocates in Utah is pushing for a \$1.30 per pack tax hike on cigarettes in the upcoming 2009 legislative session. The coalition, made up of health care advocacy groups including public and private health care providers and the American Cancer Society, seeks to raise the current cigarette tax from 69.5 cents to \$2.00 per pack. If passed, the measure would be the largest cigarette tax increase in the nation's history and would bring the average pack of cigarettes in Utah to over \$5.00.

Last year, Utah raked in nearly \$56 million in excise taxes on cigarettes. The proposed tax increase is estimated to generate another \$50 million in state revenue to be spent on health care programs. While the American Cancer Society and the Alliance for Tobacco-free Living estimate smoking related health care costs in Utah at more than \$345 million per year, other independent studies peg the costs significantly lower. For example, a study by Vanderbilt University economics professor Kip Viscusi found that the medical costs of smoking are closer to 23 cents per pack, only 33% of Utah's current tobacco tax.

“The health care advocacy groups pushing for this outrageous consumer tax hike stand to benefit significantly from larger government coffers that can be spent on state run health care and Medicaid programs,” said Grover Norquist, president of Americans for Tax Reform. **“Tax and spend lawmakers have found a good friend in health care advocacy groups who fight for bigger government through consumer tax hikes.”**

The proposed tax increase would push Utah's tobacco tax from the 34th highest in the nation to the 6th highest, and well beyond most of Utah's neighboring states. A recent attempt in Maryland to increase the cigarette tax led consumers to nearby states with lower rates, which significantly decreased state tax collection. States bordering Utah currently average \$0.96 per pack of cigarettes, which is less than 50% of the coalition's proposed \$2.00 tax.

“Drastically increasing cigarette taxes will only drive consumers to surrounding states with significantly lower tax rates,” added Norquist. **“The predictable decline in budgeted revenue from this consumer tax will also provide incentive for lawmakers who are reliant on the revenue stream to further increase other taxes in the future.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

###