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17 OCTOBER 2008

## Granite State Smokers Don't Puff Enough

*New Hampshire Raises Cigarette Tax After Smokers Fail to Bring in Enough Revenue*

Washington, D.C. – The New Hampshire cigarette tax increased on Wednesday, triggered by an automatic 25-cent hike after the state failed to bring in enough tax revenue. The tax jumped from \$1.08 to \$1.33 per pack of cigarettes, making it the 22<sup>nd</sup> highest in the country.

Legislation passed earlier this year set the stage to raise the tax, unless cigarette tax collection reached \$50 million between July and September. Following an audit by the state Revenue Administration, New Hampshire brought in roughly \$48 million during the three-month timeframe, just shy of the amount needed to stave off the tax hike.

“This tax increase on Granite State consumers was sold as a way to reduce smoking, but all it did was tell smokers to purchase more cigarettes to prevent a tax hike,” said Grover Norquist, president of Americans for Tax Reform. “The revenue-raising scheme brought in just enough money for the state to keep bringing in more. This sham exposes exactly how money-hungry lawmakers mask tax hikes in paternalistic justifications. A tax hike is a tax hike - a means to fill state coffers.”

The cigarette tax hike comes as New Hampshire faces an estimated \$380 million in overspending for the current biennium budget. New Hampshire brought in \$139 million in cigarette taxes in 2007 and the tax increase is predicted to generate an additional \$18 million in revenue each year. However, cigarette tax hikes often lead to decreased tax revenue. After New Jersey raised the cigarette tax just 17.5 cents in 2007, the state lost \$24 million in tobacco tax revenue from consumers who sought cheaper products across state lines or from other vendors.

“The cigarette tax hike allowed lawmakers to overspend taxpayer money by relying on revenue from this future tax increase,” added Norquist. “Unfortunately, tobacco tax increases frequently result in a declining source of revenue and hook taxpayers into future tax hikes once legislators become reliant on the budgeted revenue.”

*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](mailto:jkartch@atr.org).*

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