

Cigarette Tax Increase

OUR POSITION: SUPPORT

Major Elements of Current bill: H.3584

- Cigarette Tax increased from 7 cents to 57 cents per pack.
- \$5 million a year for a statewide smoking prevention and cessation program.
- Financial assistance to lower-income families and individuals without health coverage and not eligible for Medicaid or Medicare to purchase health insurance.
- Financial assistance to small employers to provide health insurance for their employees.

Reasons to Support

- For every 10% increase in the price of cigarettes there is a corresponding 7% decrease in youth smoking rates.
- A 50-cent per pack increase would prevent 34,100 children in the state under the age of 18 from becoming smokers.
- The youth smoking rate in South Carolina is 18%. The average age of initiation is 11.
- The state currently provides no money to help pay for smoking cessation efforts.
- Effective smoking prevention programs have been shown to save as much as \$3 in smoking-caused health costs for every dollar spent on prevention.
- Annual health care costs in South Carolina directly caused by smoking total \$1.1 billion.
- Increase the number of families with health insurance. It is estimated that 667,000 South Carolinians (about 1 in 6), including 106,000 children age 0 to 18 have no health care insurance.

Sources: South Carolina Tobacco Collaborative (www.sctobacco.org); "Time of essence for cigarette tax debate," *The State*, April 8, 2008; Covering Carolina Collaborative FAQ (www.coveringcarolinacollaborative.com); "Who Benefits," *The State*, March 27, 2009.

Current Status

- The House passed the bill by a vote of 97 to 22 on April 2, 2009.
- At the start of the 2010 session, the bill, now amended by Senate Finance Committee, is ready to be considered by the full Senate.
- The Governor has said he will veto the bill unless there is an offsetting tax decrease.

Take Action: Call your State Senator and ask him to support this bill.