



Testimony in support of SB 376 – written only
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American Cancer Society Cancer Action Network

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Chairwoman Tyson and members of the Committee:

The American Cancer Society Action Network (ACS CAN) appreciates the opportunity to comment on the cigarette and tobacco tax increases and increased funding for tobacco prevention in SB 376. ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation's leading advocate for public policies that are helping to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government.

As tobacco remains the number one preventable cause of cancer incidence and death, ACS CAN supports significant tobacco tax increases. Significantly raising the price of tobacco decreases the number of youth who start smoking, increases the number of people who smoke who quit, cuts health care costs, and reduces deaths from lung and other cancers, heart attacks, strokes and other preventable diseases. For these reasons, ACS CAN supports the SB 376.

This tax saves lives.

A \$1.50 per pack cigarette tax increase will prevent 9,000 premature smoking-caused deaths. Additionally, this tax will prevent 13,900 Kansas youth from ever becoming adults who smoke and prompt 18,600 adults to quit.

The A&M Efficiency Study commissioned by the Legislature highlighted the need for Kansas to improve healthy birth outcomes. This tax will prevent 3,400 pregnancies and births from being affected by smoking – leading to healthier babies and reduced state costs associated with health care and education.

This tax prevents future health care costs.

Each year, Kansas spends more than \$1.1 billion on smoking-related health care costs – \$237.4 million coming directly from taxpayers for the state Medicaid program. And that doesn't include health care costs caused by exposure to secondhand smoke, smoking-caused fires, smokeless tobacco use, or cigar and pipe smoking.

Each Kansas household – whether they use tobacco or not – has a \$762 annual tax burden to cover the government-paid expenditures caused by smoking. Tobacco use also imposes additional costs such as workplace productivity losses and damage to property.

Significant tobacco taxes generate significant increases in state revenue – despite reduced smoking rates.

A \$1.50 increase per pack of cigarettes would bring in an estimated \$77.53 million a year in new, additional revenue, and an increase in the tax on other tobacco products (OTP) to a comparable rate with the new cigarette tax would bring in an additional \$29.50 million a year. These projections are conservative and take into account reduced smoking and tax avoidance. The most recent tobacco tax increase in Kansas shows tobacco taxes are a predictable source of revenue and that most people who smoke will continue to buy tobacco products in the state.



OTP long overdue for tax increase.

The tax on OTP, such as cigars and smokeless tobacco, has not changed since 1972. The current OTP tax is 3rd lowest in the country among states that tax these products as a percent of the wholesale price. The tax rate on these products needs to be brought in line with the tax rates on cigarettes, otherwise we will continue to incentivize kids to use these products, many of them marketed with flavors that attract young users to a lifetime of tobacco addiction. 78% of Kansas voters support taxing OTP at a rate equivalent to the tax on cigarettes.

Smokeless tobacco products come in a wide variety of kid-friendly flavors such as grape, apple, and vanilla. Because they are currently taxed – and often priced – lower than cigarettes, they are more affordable than cigarettes and can be more attractive to kids, who tend to be more price-sensitive than adults. It is well established that smokeless tobacco use causes harm, including gum disease and can cause cancer of the mouth, esophagus, and pancreas.

Invest in tobacco prevention and cessation.

This proposal will bring in more than \$107 million a year that should be used to pay for health investments, such as KanCare and tobacco use prevention and cessation. We're asking lawmakers to set aside \$5 million to boost funding for the state tobacco prevention and cessation program to break the cycle of tobacco addiction for future generations of Kansans. This will move our state one important step closer to the U.S. Centers for Disease Control and Prevention's recommended funding level for effective tobacco control in Kansas of \$32 million per year. **By contrast, the tobacco industry currently incentivizes current and future tobacco use in our state with an estimated \$76.5 million in marketing and related promotions annually.**

Increasing tobacco excise taxes is an evidence-based policy approach to accomplishing the critical public health goals of reducing the number of current and future smokers. Cigarette tax increases on the order of this proposed \$1.50 per pack measure are also a powerful economic tool, directly producing sustained increases in state tax revenues and resulting in large savings in health care costs if the amount of the tax increase is high enough.

A cigarette tax increase of \$1.50 per pack – with comparable tax on other tobacco products – will improve the health of Kansans while providing a predictable, ongoing source of revenue for state investments in health.