



Higher Cigarette Taxes

Save Lives

Raise NC's Cigarette Tax by \$1.00

Kids Smoke Less When Cigarettes Cost More

Raising North Carolina's cigarette excise tax by \$1.00 will¹:

- ✓ Reduce smoking among youth by 15.4%, preventing tobacco addiction among 81,200 of North Carolina's youth.
- ✓ Reduce smoking among North Carolina adults, helping 49,500 people quit smoking, and saving the lives of 39,100 North Carolinians from a premature smoking-caused death.

Raising North Carolina's tax rates on other tobacco products (OTPs) to the national average will²:

- ✓ Generate an estimated \$53.1 million in new revenue in the first year.
- ✓ Raise the tax on other tobacco products (OTPs) from 12.8% to at least 18.2% of wholesale price, as is the case with the current rate for cigarettes.
- ✓ Establish minimum tax rates for each major type of OTP based on the state cigarette tax.
- ✓ Close tax loopholes that allow some cigarettes to be taxed as cigars.
- ✓ Fix definitions that could allow some new types of tobacco products to slip through the cracks and escape taxation entirely.

North Carolina now has the 7th lowest cigarette tax in the nation. The national average now stands at \$1.45.³ North Carolina's tax rates on other tobacco products (OTPs) is also well below the national average. Other tobacco products include snuff and chewing tobacco

Raising the Price Saves Lives and Money

Raising the cigarette tax by \$1.00 will¹:

- ✓ Generate 5-year health savings of \$14.6 million from smoking-affected pregnancies and births, \$27.3 million in heart attacks and strokes, contributing to long term health savings of \$1.8 billion in the state from adult and youth smoking declines.
- ✓ Generate \$338.4 million in new revenue in the first year.

Cigarette Use Is Killing North Carolina⁴

1.5 million North Carolina adults smoke, leading to nearly 12,200 preventable deaths a year caused by smoking, and more than 1,500 deaths among non-smokers who are exposed to secondhand smoke. This costs North Carolina taxpayers \$2.46 billion in direct healthcare costs (\$769 million in Medicaid expenses alone), and \$3.5 billion in lost productivity annually.

10,400 North Carolina children will become regular smokers this year, buying more than 21.9 million packs of cigarettes. 193,000 children alive today will die prematurely because of smoking.

North Carolinians Support a \$1 Cigarette Tax Increase

A June 2009 poll found that 79% of North Carolinians support a \$1 increase in the cigarette tax, making this a WIN, WIN, WIN proposal that is popular among voters, will result in health benefits and raise revenue.

**North Carolina has the 7th lowest cigarette tax in the nation.
Keep our children from starting to smoke.**

Increase North Carolina's cigarette tax by \$1.00!

January 2011

References

- ¹ “New Revenues, Public Health Benefits & Cost Savings from a \$1.00 Cigarette Tax Increase in North Carolina”. Prepared Aug. 27, 2010. Figures account for the 61.66-cent federal cigarette tax effective April 1, 2009. Additional and more detailed information can be found at: [http://www.ncallianceforhealth.org/Media/Tobacco/Excise%20Tax/NC%20Tax%20Hike%20Benefits%20\(\\$1\)%2012-07-10.pdf](http://www.ncallianceforhealth.org/Media/Tobacco/Excise%20Tax/NC%20Tax%20Hike%20Benefits%20($1)%2012-07-10.pdf)
- ² “Raising Tobacco Tax Revenues & Creating Tobacco Tax Equity in North Carolina” Campaign for Tobacco-Free Kids, Prepared March, 2010. Additional and more detailed information can be found at: <http://www.ncallianceforhealth.org/Media/Tobacco/Excise%20Tax/NC%20OTP%20Tax%20Equity%20Proposal%203-10-10.pdf>
- ³ “State Cigarette Excise Tax Rates & Rankings” Campaign for Tobacco-Free Kids, downloaded September 20, 2010, at: <http://www.tobaccofreekids.org/research/factsheets/pdf/0097.pdf>
- ⁴ “The Toll of Tobacco in North Carolina” Campaign for Tobacco-Free Kids. Downloaded on March 18, 2010 at: <http://www.tobaccofreekids.org/reports/settlements/toll.php?StateID=NC>