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## **Missouri Tobacco Tax Proposal: A Good Start, Not the Cure for Health Care Funding**

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### **Why Missouri should increase taxes on tobacco products**

- ✓ Smoking remains the leading preventable cause of disease and death in the United States, resulting in more than 440,000 premature deaths nationally, and 10,300 deaths in Missouri each year<sup>i</sup>
- ✓ Smoking related diseases cost Missouri \$1.96 billion annually<sup>ii</sup>
- ✓ Missouri has a weak tobacco cessation and prevention program. It is one of only 5 states that spends NONE of its tobacco settlement on smoking cessation and prevention<sup>iii</sup>
- ✓ Missouri ranks 49<sup>th</sup> among states in its current tax of tobacco products, ahead of only South Carolina
- ✓ Even with an 80 cent/pack increase, Missouri's cigarette tax is still 1 cent below Illinois' tax<sup>iv</sup>
- ✓ A substantial body of economic research shows that higher cost of tobacco products deters consumption. <sup>v</sup> This is particularly true for youth. An increase of 50 cents per pack of cigarettes will result in an estimated 45,000 fewer youth smokers and will save 14,400 Missouri youth from an early death<sup>vi</sup>
- ✓ An increased tax on tobacco products will not harm Missouri's economy. Missouri does not produce cigarettes, and consumers will spend the money saved by not smoking on other products and services
- ✓ The proceeds will help fund cessation and prevention programs, as well as other critical health care needs

### **But don't let the smoke get in your eyes! The tobacco tax increase is just a first step in meeting Missouri's health care needs**

- ✓ Research shows that when tobacco taxes are increased, use of these products decreases over time. So, while there will be an estimated \$351 million more revenue per year initially, this amount will decline as use of tobacco products decreases
- ✓ The tobacco tax has the potential to provide health care for some of the people who are uninsured because of Medicaid cuts. However, it falls well short of restoring the cuts made to more than 100,000 Missourians in 2005
- ✓ Missouri needs a source of adequate, progressive funding to ensure health care for all citizens

**Given the positive benefits the tobacco tax would have for Missourians, including decreased smoking, better health outcomes, and increased funds for health care the MBP supports passage of the tax.**

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<sup>i</sup> Missouri Foundation for Health, 2006 Tobacco Prevention and Cessation Initiative, [www.mffh.org](http://www.mffh.org).

<sup>ii</sup> *A Broken Promise to Our Children*, Campaign for Tobacco Free Kids, [www.tobaccofreekids.org](http://www.tobaccofreekids.org), 2005

<sup>iii</sup> *ibid*

<sup>iv</sup> *State Cigarette Taxes and Projected Benefits from Increasing Them*, Campaign for Tobacco Free Kids, [www.tobaccofreekids.org](http://www.tobaccofreekids.org), 2004.

<sup>v</sup> "Taxing Tobacco", Chaloupka, F., *Regulating Tobacco*, Oxford Press, 2001.

<sup>vi</sup> *State Cigarette Taxes and Projected Benefits from Increasing Them*, Campaign for Tobacco Free Kids, [www.tobaccofreekids.org](http://www.tobaccofreekids.org), 2004.