



PROJECTED ECONOMIC AND PUBLIC HEALTH HARMS FROM REDUCING RHODE ISLAND'S TAX ON CIGARETTES

Smoking-caused health care costs in Rhode Island: \$13.24 per pack
Current state cigarette tax: \$3.50 per pack

Annual health care expenditures in Rhode Island directly caused by tobacco use: \$640 million
Smoking-caused state Medicaid program spending each year: \$179 million

Just as tobacco tax increases can generate tremendous public health benefits and cost savings by reducing tobacco use, decreases in tax rates can increase use by making tobacco products more accessible and attractive to youth, and more affordable to adults who would quit if prices were higher. Maintaining high tobacco tax rates will keep these deadly products out of the hands of youth and encourage adults to quit.

PROJECTED HARMS CAUSED BY A \$1.00 PER PACK CUT TO RHODE ISLAND'S CIGARETTE TAX	
Loss in state cigarette tax revenues	\$26.63 million*
Percent <u>increase</u> in youth smoking:	7.9%
<u>Additional</u> youth under 18 who will become adult smokers:	2,300
Number of <u>additional</u> adult smokers in the state:	1,600
<u>Additional</u> Rhode Island residents who will die from premature smoking-caused death:	1,100
Number of <u>additional</u> smoking-affected births over next five years:	200
<u>Additional</u> 5-Year health care costs from <u>more</u> smoking-caused lung cancer cases:	\$260,000
<u>Additional</u> 5-Year health care costs from <u>more</u> smoking-affected pregnancies & births:	\$550,000
<u>Additional</u> 5-Year health care costs from <u>more</u> smoking-caused heart attacks & strokes:	\$620,000
<u>Additional</u> 5-Year Medicaid program costs for the state:	\$720,000
<u>Additional</u> long-term health care costs in the state from adult & youth smoking <u>increases</u>:	\$79.22 million

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Sources: CDC, *State Data Highlights 2006*. CDC, *Behavioral Risk Factor Surveillance System (BRFSS)*. Chaloupka, FJ, %Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products, + *Nicotine & Tobacco Research*, 2000. Tauras, J, et al., %Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis, +Bridging the Gap Research, ImpacTeen, April 24, 2001. CDC, %Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs- United States 2000-2004, +*MMWR* 57(45):1226-1228, November 14, 2008. CDC, %Projected Smoking-Related Deaths Among Youth- United States, +*MMWR* 45(44):971-974, November 11, 1996. Hodgson, TA, %Cigarette Smoking and Lifetime Medical Expenditures, +*The Milbank Quarterly* 70(1), 1992. Nusselder, W, et al., %Smoking and the Compression of Morbidity, +*Epidemiology & Community Health*, 2000. Lightwood & Glantz, %Short-Term Economic and Health Benefits of Smoking Cessation . Myocardial Infarction and Stroke, + *Circulation* 96(4), August 19, 1997. Kabir, et al., %Coronary Heart Disease Deaths and Decreased Smoking Prevalence in Massachusetts, 1993-2003, +*American Journal of Public Health* 98(8):1468-69, August 2008. Miller, D, et al., %Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking, +*Nicotine & Tobacco Research* 3:25-35, 2001. Chang, S, et al., %Estimating the cost of cancer: results on the basis of claims data analyses for cancer patients diagnosed with seven types of cancer during 1999 to 2000, +*Journal of Clinical Oncology* 22(17):3524-30, September 2004. Khuder, SA & Mutgi, AB, %Effect of smoking cessation on major histologic types of lung cancer, +*Chest* 120(5):1577-83, November 2001. U.S. Bureau of Labor Statistics. U.S. Census Bureau. U.S. Federal Trade Commission. Orzechowski & Walker, *The Tax Burden on Tobacco*, 2012 and monthly reports.

* Assumes that significant increases in smoking in the state from the cigarette tax cut would increase overall cigarette consumption and taxed pack sales in the state, thereby reducing the overall revenue losses from the tax rate cut (but also sharply increasing smoking-caused harms and costs in the state).