

Strategic Thinking on State Tobacco Tax Increases

The Need for Strategic Thinking

Developed by:

American Cancer Society

American Heart Association

American Lung Association

Campaign for Tobacco-Free Kids

The Praxis Project

SmokeLess States

In 2002, 21 states and the District of Columbia passed cigarette tax increases. The increases ranged from \$0.07 per pack in Tennessee—the first increase in a tobacco producing state in more than a decade—to an increase of \$1.00 per pack to be phased in over a period of seven years in Rhode Island. Many states also raised taxes on other tobacco products and some were able to dedicate a portion of revenues to tobacco prevention and cessation programming. Twenty of the increases came through legislative action, while two were victorious ballot initiatives.

For the most part, this unprecedented success can be attributed to state fiscal crises resulting from the downturn in the national economy. State policymakers were desperate to find new revenues to plug growing deficits in state budgets. In many states, public health advocates were ready and able to partner with policymakers in developing tobacco tax strategies that advanced public health goals and filled budget holes.

While recent economic conditions created a special opportunity for tobacco control advocates, raising tobacco taxes makes good sense—economically, politically, and as a health strategy—under most circumstances. The potential for success, however, depends upon building a solid foundation from which to launch a tobacco tax campaign.

This document is designed to assist public health advocates in recognizing and weighing the strategic decisions that must be made before beginning a campaign to increase tobacco taxes at the state level. No rule applies to every case, especially given the diversity of political landscapes from state to state. So, rather than provide prescriptive advice, this document is intended to guide advocates through the kind of critical thinking that is needed to prepare for a successful campaign. It stops short of a discussion of campaign strategy, which is highly dependent upon the history, practices, and players in a particular state.

As was illustrated in 2002, tobacco tax proposals can be driven by a variety of forces and agendas. Public health advocates who have considered these strategic decisions will be prepared to be central participants and leaders in discussions of tobacco tax increases, whatever the circumstances. Even if you are in one of the states that successfully increased taxes in 2002, engaging in critical thinking around tobacco taxes can help you view this not as a one-time strategy, but as a long-term campaign to advance public health goals.

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Why Raise Tobacco Taxes?

To most public health advocates, this hardly seems like a decision point. However, unless you are absolutely clear on the ultimate goal of your campaign—on why you want to raise tobacco taxes—you have missed a critical first step.

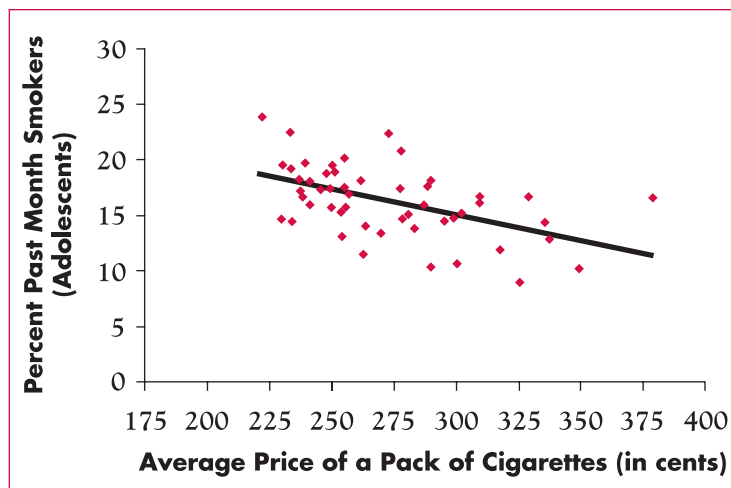
Clarifying goals and strategies

The goal of any tobacco control initiative is always the same: to improve health. With tobacco taxes there are many secondary benefits that tend to attract and distract players along the way. But at the end of the day—or the campaign, in this case—advocates will want to answer these questions: How many lives will be saved or improved? How many fewer young people will become addicted tobacco users? How many adults will quit? Don't lose sight of this goal in your quest for a legislative victory, since this health goal is what ultimately matters and what garners public support.

Raising tobacco taxes, then, is not in itself a goal. Instead, it is a strategy to achieve important health goals. More specifically, the strategy has two parts: 1) bringing about a significant increase in tobacco taxes; and 2) dedicating a portion of tax revenue to comprehensive tobacco control programming and to health.

How does this strategy work?

Increased tobacco taxes create a health impact through the *price elasticity of demand*. To make a complex economic principle very simple, the higher the price of tobacco products, the fewer tobacco products will be consumed. Economists have created estimates of how much the price of cigarettes has to go up in order to have a certain level of impact on consumption. For example, it's generally accepted that a 10% increase



Data: 1999 National Household Survey on Drug Abuse (NHSDA), 12-17 year olds; 1999 Tax Burden On Tobacco
Source: Giovino, et al., 2001

in the price of cigarettes will decrease overall cigarette consumption by about 4%. Among youth, a 10% increase in price will decrease smoking prevalence by about 6.5%. It is the elasticity of demand, therefore, that determines the health impact to be created by the tax increase.^{1,2}

Dedicating a portion of the new tax revenue to comprehensive tobacco control programming creates additional health benefits. While this issue is discussed in detail later, suffice it to say that health outcomes derived from the tax increase are enhanced and sustained when tobacco tax funds are used to support strategies for preventing or decreasing tobacco use and to cover health care costs for tobacco-related disease.

California illustrates the success of this two-pronged strategy. In 1988, California voters approved Proposition 99, which raised cigarette taxes by \$0.25 per pack (with an equivalent increase on other tobacco products) and dedicated 20% of revenues to tobacco-related research, health education programming and health care for the medically indigent. From 1988 through 1993, adult smoking prevalence in California declined at nearly twice the rate of the rest of the United States. Since 1995, youth smoking in California has declined by 43%. Per

capita cigarette consumption has fallen by more than 50% since the passage of Proposition 99. Most importantly, smoking-related diseases are on the decline. Reductions in the incidence of heart attack, stroke, and low-weight births have resulted from the accelerated decline in smoking among Californians, and California's incidence of lung and bronchus cancer is declining at a rate that is significantly higher than elsewhere in the nation.^{3,4}

List of related resources:

- Campaign for Tobacco-Free Kids. Factsheets: *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*. <http://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>
- *Benefits from Increasing Smokeless Tobacco Tax Rates*. <http://www.tobaccofreekids.org/research/factsheets/pdf/0180.pdf>
- *State Cigarette Taxes and Projected Benefits from Increasing Them*. <http://www.tobaccofreekids.org/research/factsheets/pdf/0148.pdf>
- For additional research-based information on tobacco taxation contact ImpacTeen, <http://www.impactteen.org>

Strategic Question: *What is the health goal of your tobacco tax campaign?*

How Much Should Tobacco Taxes be Increased?

With the health goal driving your campaign, the likely response to this question is “As high as possible!” What defines “possible” is the environment in which policy is made in your state and your state’s track record on tobacco taxes. So the first step in deciding the level of your proposed tobacco tax increase is to do an environmental scan.

Environmental scan

Here are several factors to examine as you consider a tobacco tax increase:

- A. What is the political climate for taxes in your state? Are taxes being cut or have some specific taxes been approved by the legislature or through voter initiative? Even in states that tend to shun new taxes or tax increases, tobacco taxes seem to be more acceptable to policymakers and the public. And polls indicate that support for tobacco taxes increases significantly when revenues are dedicated to health and tobacco programming.
- B. What is the history of tobacco taxes in your state? Have there been recent increases or have they been untouched for decades? If you have recently raised the tobacco tax, it is possible—but not inevitable—that another tobacco tax campaign may meet resistance. If tobacco taxes have not been increased recently, why not? Who are the decision-makers or gatekeepers on the tax issue? Would the outcome be different with a groundswell of grassroots pressure to raise the tax rate? Have most tobacco tax increases been passed by state lawmakers or through a vote of the people?
- C. What is the revenue picture in your state? Are the state coffers overflowing or running dry? The wave of tobacco tax increases in 2002 was fueled by widespread state economic woes that created the need for new funding sources to fill double-digit deficits. The hunger for increased tobacco taxes may be less during times of budget feast.
- D. What tobacco tax levels exist in your surrounding states? ^{5,6} Are you at the front of the pack or lagging behind? State lawmakers often look at peer states in determining sellable policy. On the other hand, could residents of your state have easy access to lower-taxed tobacco products in surrounding states or to non-taxed products through tribal sales? Recognize that this may generate opposition to your campaign based on the possibility of tax evasion. This is a favorite scare tactic of the tobacco interests, but the magnitude of the problem is much less than they typically portray. Stronger penalties and increased enforcement—funded through increased tobacco tax revenues—are helpful in addressing the problem. And even when some level of tax evasion is added to the calculation, there are still substantial reductions in tobacco use and increases in revenues to be achieved through increasing tobacco taxes. Make sure you have the relevant data to refute arguments about smuggling or cross-border sales. ^{7,8}
- E. What “hot issues” are elected officials and the general public responding to in your state? What issues will be moving to the forefront in the future? If health is not among the top concerns, how will you gain attention and priority for reducing the health consequences of tobacco use? Are there linkages to be made with constituencies on other issues to strengthen your case?
- F. How strong is your state’s commitment to reducing the health impact of tobacco use? How much state funding is currently allocated to tobacco prevention and control efforts, including cessation services? What is the cost of the health care burden for tobacco-related disease in your state?
- G. Other than the tobacco industry and its allies, who else might oppose a tobacco tax increase? How politically powerful are these potential opponents?
- H. What is the level of public support for different levels of tax increases in your state? Polling data is a critical tool in deciding whether to mount a tax campaign. ⁹ Be sure to contract with one of the state’s leading polling firms, one which has earned the respect of bipartisan political groups. This lends the necessary credibility to the results and ensures that the data will resonate with elected officials.
- I. Do you have the human capital necessary to follow through on a tobacco tax campaign? Is your core coalition strong, committed to a successful outcome, and organized to take on this task? Do you have the ability to impact both the inside political process and mount an outside groundswell of support?

After answering the questions above and examining polling data, choose the highest increase that is politically viable.

Think big

Policymakers—and tobacco control advocates—often shy away from tax numbers that seem too high. But increases in the overall cost of cigarettes over the past decade have been by and large the work of the tobacco industry, not state taxes. The wholesale cost of a pack of cigarettes, without taxes included, has increased 169% over the past decade. By comparison, average state tobacco taxes have gone up only 37% during that same period. While state tobacco taxes accounted for 33% of the average retail price of a pack of cigarettes in 1993, this proportion had decreased to only 19% by 2002.¹⁰ Tobacco control advocates should not be afraid to lay the blame for price increases at the foot of the tobacco industry or to point out that, on average, the relative cost of state tobacco taxes has been declining steadily for the past 10 years. In November 1998, the tobacco industry didn't shy away from raising the cost of a pack of cigarettes by nearly 40%—neither should you.

Shoot high from the start. The legislative successes of 2002 significantly raised the bar on tobacco taxes. What was unthink-

able just a few years ago has now been surpassed, so don't be afraid to think big. In Oregon in 2002, the Governor proposed a \$0.30 per pack increase in the cigarette tax. Public health advocates countered with a \$0.50 proposal. Voters ultimately agreed to a tax increase of \$0.60 per pack, nearly doubling the existing tax. Polling data demonstrate time and again that the public supports large tax increases when revenues are dedicated to tobacco prevention and health concerns.

Setting your target

- *Health impact.* You've already considered the price elasticity of demand (above) to determine what you would like the health impact to be. What level of decrease in tobacco consumption would you like to achieve for youth and for adults?
- *Revenue.* To achieve the greatest health impact, tobacco tax revenues can be used for comprehensive tobacco programming and relief of the health care burden of tobacco use. To help determine the amount of funding

needed for these two purposes in your state, consult the Centers for Disease Control and Prevention (CDC) estimate of tobacco-related health care costs by state,¹¹ as well as the CDC recommendations for state-level spending on tobacco programming.¹² These estimates will define the low end of the revenue target you'll want to consider.

CDC Office on Smoking and Health
Website: www.cdc.gov/tobacco

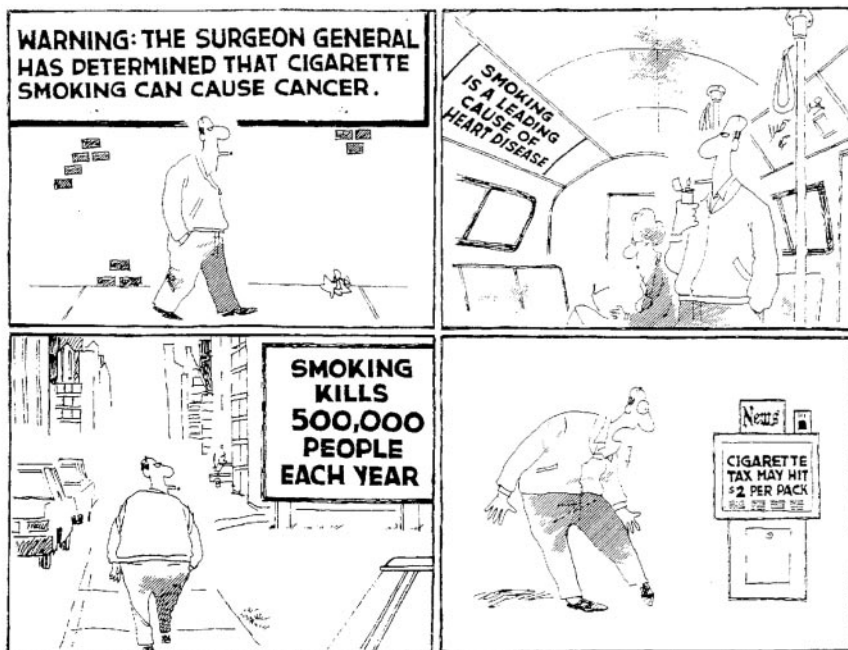
Options for structuring tobacco taxes

In all states, cigarettes are taxed at a flat rate per pack. But there are other options for structuring tobacco taxes that offer advantages you may not have considered.

- *Ad valorem tax.* This tax is a percentage of the cost of a pack of cigarettes or package of smokeless tobacco.¹³ The great advantage of this structure is that the tax (and therefore the revenue) continues to increase as the cost of cigarettes goes up. It may relieve you from having to go back to the legislature (or voters) to increase the tax again in the future in order to keep up with inflation. And from a policymaker's point of view, it creates a positive health impact that will extend beyond the term of a single legislator or governor.

A disadvantage of this type of tax is the loss of "sticker shock"—the strong reduction in consumption that generally accompanies a significant one-time tax increase. Tobacco users will be less likely to notice and change their behavior based upon incremental increases in price. Ad valorem taxes also could mean a less-than-predictable revenue stream, since the value of the tax and the resulting revenue will decline if the tobacco industry voluntarily pushes prices

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Do not proceed with trying to pass a tobacco tax until your team of advocates has agreed upon the tax rate and structure to which you will be committed throughout the campaign.

downward as happened with the 1993 Marlboro Friday price cuts. To get the best of both strategies, consider combining a large excise tax increase (which may immediately convince many users to quit) with an ad valorem tax that will sustain the real value of the tax over time.

Opponents will tell you that collecting an ad valorem tax is an administrative nightmare. When they do, point out that almost every state taxes non-cigarette products using an ad valorem tax with few problems. State and local sales taxes also are ad valorem taxes and are collected routinely and without difficulty.

- *Multi-year increases.* If you're going to go through all the work of passing a tobacco tax increase, why not pass several at the same time? Think about a bill or initiative that provides for several tax increases spaced over a period of time. In 2002, Hawaii, Kansas, Rhode Island, and Vermont, all approved tax increases that will be phased in over a number of years. This strategy keeps the tax rate and revenue on the increase, avoiding the erosion of the relative value of the tax due to inflation. And if the scheduled jumps in the tax are high enough, you'll create a positive health impact through several "sticker shock" events.
- *Other tobacco products.* While they make up a smaller portion of the tobacco market, don't forget to include non-cigarette products in your tax proposal, including snuff, chewing tobacco, pipe and other loose smoking tobacco, and cigars. All but three states and the District of Columbia have a tax on some types of non-cigarette tobacco products. Most are ad valorem or percentage taxes, currently ranging from 2% to 129.42% of wholesale price. Ensuring that other tobacco products are taxed at a rate comparable to cigarettes may help to prevent smokers switching from cigarettes to lower-priced products to maintain a nicotine "fix," especially among youth.

Several states have seen proposals to change the existing ad valorem tax on smokeless tobacco products to a tax that is based on weight. Weight-based taxes currently are in place for most non-cigarette products in Alabama, Arizona, and North Dakota. Beware of this strategy since it leads to a declining tax. While an ad valorem or percentage tax automatically adjusts to inflation or any other increase in the wholesale price of the products, the real value of a weight-based tax will decline over time, making these tobacco products cheaper. Combining a lowered price with the common misperception that smokeless tobacco is less harmful to health could result in deadly health consequences.¹⁴

Related resources

- *Tobacco Control in Developing Countries.* Editors Prabhat Jha and Frank Chaloupka. Published by Oxford University Press (2000) on behalf of The Human Development Network, the World Bank, and The Economics Advisory Service, World Health Organization. See Chapter 10 on taxation.
http://www.tobaccoevidence.net/research_key.html

Strategic Questions:

- *Does the history and political climate of your state support significant increase in the tobacco tax at this time?*
- *How much will tobacco taxes need to increase to achieve your desired health impact?*
- *How much will tobacco taxes need to increase to reach your revenue target?*
- *Will you tax both cigarettes and other tobacco products?*
- *What is the economic structure of your tax (excise, ad valorem, multi-year, etc.)?*

How Should Revenue be Allocated?

Dedication of tax revenues

In pursuing a tobacco tax increase, never lose sight of the goal: to create a positive health impact by reducing tobacco use. Your potential impact will be determined in part by the level of tax increase you choose, with the price elasticity of demand as the predictor.

However, that's just half of the equation. The other half is the health impact that can come from using tobacco tax revenues for comprehensive tobacco prevention, cessation, and health care needs. By dedicating significant funds to tobacco programming, you can prolong the impact created by the initial "sticker shock" of an increased tax. While the effect of the tax increase itself may wear off, the benefits of expanded tobacco programming will sustain and enhance reductions in tobacco use.

Note: Some states' laws don't allow earmarking of tax revenues and in other states there is never dedication of funds as a matter of principle. Be sure to check your state's statutes and practices on this point. But even if you live in a state where dedication of revenues cannot be written into the tax bill or initiative, it is still important to advocate that tax proceeds be used to support tobacco prevention and cessation programming and health care. Framing the issue as using the tax to support the health needs of those who pay it may resonate positively with policymakers and voters, and encourage lawmakers to ensure adequate funding of programs and services

Dedication is good political strategy

Polling as well as actual election results demonstrate that public support for tobacco taxes—across party lines—increases dramatically when revenues are dedicated to tobacco prevention and cessation and health care programs. This strategy gives taxpayers a clear sense of the outcome of their investment. As important, policymakers who are primarily interested in the revenue generated by the tax will be able to use the health and programming aspects of the tax to promote and justify it with their constituents.

In any state, especially when budgets are lean, there will be competing demands for use of new tax revenues. You also can expect that tobacco interests will be at work, trying to direct tobacco tax revenues to causes other than comprehensive tobacco prevention and cessation programming. Public health advocates can maintain their strongest position in the political process by calling for use of tobacco tax revenues to offset the costs of tobacco use to the state. It is up to you to ensure that health goals remain in the discussion by insisting on using tobacco tax revenues for tobacco and health programming.



Our kids:
still getting hooked
on cigarettes

Our deficit:
the worst it's been in years

Our solution:
raise the cigarette tax

Tell your Legislator:
Increase our chances for a better tomorrow. Increase our tobacco tax.
Call the Legislative Hotline at
1-800-995-9080

Tobacco taxes are a win-win solution for Nevada. Why? They make money and save lives. Increasing our state tobacco tax by just 70 cents will generate an estimated \$91.2 million in new revenue to help balance our state budget and fund tobacco prevention programs. What's more, research has shown that the more cigarettes cost, the less people smoke – especially kids.

Raising the price of cigarettes is good for our children and our budget. That's why Nevada voters support it, and states across America are making the smart choice to increase tobacco taxes.

American Cancer Society American Heart Association
Fighting Heart Disease and Stroke CAMPAIGN for TOBACCO-FREE Kids AMERICAN LUNG ASSOCIATION
of Nevada NO MORE TOBACCO FOR A HEALTHIER NEVADA

The National Center for Tobacco-Free Kids. ©2003. Reprinted with permission.

The New England states provide an example of a regional approach to raising tobacco taxes and dedicating revenue to tobacco control and health. Each of the six states—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont—agreed to work toward a \$0.50 increase in the state's cigarette excise tax and to develop a proposal for using revenues to support tobacco control programming, health care access, and public health promotion. By the end of 2002, five states had increased tobacco taxes by more than \$0.50 per pack, two had earmarked revenues for health programs, and one was able to direct revenues to health care access without earmarking. Three of the states are planning to work toward further tax increases and dedication of revenue. This successful New England initiative, which brought about some of the

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highest tobacco taxes in the nation, also demonstrated effective use of polling and coalition building with health care recipients and providers.

Thinking about the tax impact on individuals

A criticism of the tobacco tax that is a stumbling block for many tobacco control advocates is that it is a *regressive* tax. From a strictly economic standpoint, tobacco taxes fall under this definition because the same amount of tax is charged to all individuals regardless of income. This means the tax is a greater percentage of the income of low-income persons than those with more income. Critics charge that regressive taxes are easiest to raise because they place the heaviest burden on those without a political voice.

The other side of that coin, however, is that tobacco itself is a regressive product. The health impacts of tobacco—both disease and death—are felt much more strongly in lower-income populations. And tobacco industry marketing practices also are targeted disproportionately to this group. Therefore this squeeze—paying more in taxes and suffering more from the negative health effects of tobacco—impacts the population which smokes the most, has the lowest income and the least access to services.^{15, 16}

When tobacco taxes are increased, economic theory and actual experience tell us that persons with low income are more likely to respond by reducing or quitting tobacco use than are those with greater income. This helps to lessen the tax burden on low-income individuals to some extent, but it also highlights the importance of available, affordable cessation services and treatment.

A tobacco tax increase can be framed as discriminating against economically-disadvantaged groups if public health advocates are not committed to linking tax revenues to comprehensive tobacco prevention and cessation programming, and health care directed to the communities most affected. The truth is that no one has to pay tobacco taxes *if* prevention and cessation services are available. Working for tobacco tax increases must mean working for comprehensive tobacco prevention and cessation programming, and health care access in order to lessen the disparity in health and economic impacts between population groups. It is sound policy to use the tax to support those who pay it. And the larger the tax increase, the more important it is to do so.

Dedication and coalition building

While dedicating tax proceeds to tobacco control and health will be a priority, a large tax increase probably will generate more revenue than is needed to support a comprehensive tobacco prevention effort. The balance of the revenue will be available to fund other pressing state needs and this can provide important leverage in building a broad-based coalition to support successful passage of the tax. Oregon's tax dedication created a successful partnership between tobacco control advocates, the health care community, and advocates of senior and disabled transportation.

"Extra" tax revenue can be especially useful when working with state legislators on a tax bill. They may want to create a broad distribution of tax revenues to secure enough votes for a win. The larger the tax increase, the more room there is for allocation of funds to a variety of important interests. Teaming up with policymakers to build an effective coalition means you will be part of the process and can help to deflect any effort to steer funds away from tobacco and health concerns.

For a ballot initiative, the support of the public is the bottom line. As much as possible, a winning proposal will focus on health in both the increase of the tax and in the use of revenue for tobacco and health. This is the clearest message for reaching the public and it should be reflected in the dedication of tax funds. Washington used exactly this strategy in gaining 66% of the popular vote for a cigarette tax increase of \$0.60 per pack in November 2001, making it the highest tax in the nation at the time. In contrast, a post-election analysis of Missouri's unsuccessful attempt at a \$0.55 per pack cigarette tax increase showed that a central concern of voters was that only 7% of proceeds were going to tobacco prevention.

So, it is important to think strategically about whether dedication of funds—beyond what is needed for tobacco programming and health—will help to strengthen your coalition and your political position. Be aware that some tobacco tax campaigns that have tried to attract the largest possible constituency by dedicating a portion of potential tax revenues to a wide variety of causes and interests have not been successful. Vague definitions of "prevention" that include everything and anything have lost elections in the past. As mentioned above, polling shows that the public is more likely to support a tobacco tax when the revenues will be used for tobacco control programming and overall health. In addition, the public often frowns upon a tax proposal that looks like the proponents will benefit directly from the revenue.

Medicaid creates special circumstances

The success of tobacco tax campaigns in 2002 was fueled by state budget crises in a time of economic downturn. It's important to note, however, that escalating Medicaid costs seem to be a constant problem for state budgets, regardless of conditions in the overall economy. We know that smoking rates among Medicaid beneficiaries are higher than among the general population. In addition, Medicaid spending on nursing home care represents a large portion of overall costs, and many nursing home residents require high levels of care as a result of smoking-related illness. Public health advocates should help policymakers to understand that dedicating tobacco tax revenues to tobacco prevention and cessation programs and health services directed to the low-income population can help to address demand on the Medicaid system in both the short and long term.

Determining percentages

What percentage of tobacco tax revenues should be dedicated to comprehensive tobacco control programming? With a goal of improved health, the answer might once again be, "As much as possible." In addition to assessing your legal and political constraints, however, other guidelines can help you to determine the desired percentage of revenues for tobacco prevention, cessation, and health.

In deciding the level of your tax increase, you've already considered the CDC recommendations for funding of comprehensive tobacco programs in your state. This illustrates the range of what's needed to create an infrastructure to sustain prevention and cessation after the impact of the tax has faded. You've also looked at the CDC estimate of

tobacco-related health care costs in your state. This gives you an idea of what should be dedicated to health care services or access to health care. Add these together and compare the total to the full amount of the tax revenue you expect to raise to determine the percentage of the tax to dedicate to tobacco reduction and health concerns. Be prepared for criticism around the fact that a significant increase in tobacco taxes decreases consumption, leading to a decrease in tobacco tax revenues. In fact, after a large tax increase, you may see an initial decline in revenue before it begins to rise again. But every state that increased its cigarette tax from 1995 to 2000 saw large revenue increases despite notable declines in consumption. In the end, the increased tax results in more new state revenue than is lost to reduced sales. And most importantly, you will have moved closer to your health goals by bringing about a reduction in tobacco use.

Be prepared to use tax dollars wisely

A private financier asks to see a sound business plan before investing in any endeavor. The same should be true for the investment of public funds. Be sure that your state has a solid plan for comprehensive tobacco prevention and cessation programming in hand before you ask the legislature or the public to make this investment. Unfortunately some states have been caught unprepared when significant public revenues poured into their tobacco control programs, placing them in jeopardy of losing the funds. And don't forget to include a strong evaluation component as part of your program. To maintain funding into the future, it will be important to demonstrate the effectiveness of enhanced tobacco prevention and cessation efforts in bringing about desired health outcomes.

Strategic Questions:

- *Do you have a plan for how increased tax revenues will be used to strengthen tobacco programming and evaluation in your state?*
- *If so, how much funding do you need to build or enhance this infrastructure for tobacco prevention and cessation?*
- *How much funding do experts say is needed to impact health care access and services?*
- *Given the answers to the above questions, what percentage of revenues will you dedicate to meeting both of those needs?*

List of related resources

- Tobacco Control in Developing Countries. Editors Prabhat Jha and Frank Chaloupka. Published by Oxford University Press (2000) on behalf of The Human Development Network, the World Bank, and The Economics Advisory Service, World Health Organization. http://www.tobaccoevidence.net/research_key.html
- Center for Budget and Policy Priorities. <http://www.cbpp.org>

Before You Take Action

Remember your goal

In laying out a strategy for achieving your tobacco tax increase, remember your primary goal: to create sustained health impacts based on reductions in tobacco use. Your coalition should embrace this goal as a bottom line when recruiting new members, facing requests for compromise, and planning strategy. You can help to avoid misunderstanding and division down the road by agreeing up front on the point at which the coalition will no longer support a tax proposal. As the tax proposal goes through the legislative process, your goal may be threatened by actions to reduce the size of the tax or remove dedication of revenues. Your coalition must continually assess the point at which a tax proposal may no longer be worth supporting as a public health measure.

Plan, plan, plan

Don't cut corners on planning. Votes aren't only won or lost due to poor messaging or lack of campaign funds. Many policy initiatives are doomed because the proper attention isn't given to legal and strategic issues on the front end. The result can be valuable time and energy lost to correcting mistakes later in the process, or simply the inability to mount a winning campaign.

Cultivate the grassroots

Often tobacco tax increases are part of an inside budgetary decision among policymakers, and it's imperative for your coalition to have links to that process. But equally valuable is the grassroots effort to keep the tax as high as possible and support sustained resources for tobacco programming and health through dedication of revenues. Be sure to put sufficient effort into building a grassroots political base. If you're thinking about raising tobacco taxes through a ballot initiative, this investment in public support is essential.

Recognize and welcome new allies

As mentioned above, tobacco tax revenues should be dedicated to improving the health status of populations most affected by the tax, the health impacts of tobacco use, and predatory marketing practices. This recognition of disparity brings with it the possibility of new allies from the arena of social justice.

Here are organizations that can assist in planning and implementing your tobacco tax campaign:

- American Cancer Society: www.cancer.org
- American Heart Association: www.americanheart.org
- American Legacy Foundation: www.americanlegacy.org
- American Lung Association: www.lungusa.org/tobacco/
- Asian Pacific Partners for Empowerment and Leadership: www.appealforcommunities.org
- Campaign for Tobacco-Free Kids: www.tobaccofreekids.org
- Centers for Disease Control and Prevention: www.cdc.gov/tobacco/
- National African American Tobacco Prevention Network: www.naatpn.org
- National Conference of State Legislatures: www.ncsl.org
- National Latino Council on Alcohol and Tobacco Prevention: www.nlcatp.org
- The Praxis Project: www.thepraxisproject.org
- SmokeLess States National Tobacco Policy Initiative: www.smokelessstates.org
- Tobacco Technical Assistance Consortium: www.ttac.org

Be sure you know the rights and limitations of your coalition regarding lobbying and advocacy. Information is available through your organization's legal contact or through the Alliance for Justice at: www.afj.org.

There is a natural alliance between tobacco control advocates' primary focus on health, and the goals of those individuals and organizations that work to increase access to health services for less-advantaged groups. Tobacco control advocates should consider how best to integrate your interest in health into the context of increasing human need, and how you fit in strategically with those working for low-income populations.

Coalitions need grassroots supporters and political insiders, as well as new partners in the effort to create a winning team. The key is to recognize and respect what each brings to the table. For example, every major Chamber of Commerce in the state supported Arizona's successful campaign in 2002. Be flexible enough to see needs and opportunities as they arise, but never lose sight of the health goal.

Watch for trade-offs

During a tobacco tax campaign, keep your eyes open for concurrent activity on the part of tobacco interests. Are policymakers agreeing to raise taxes but secretly promising the tobacco industry preemption, limitations on liability, reduced funding for tobacco control programs, or other measures to soften the blow? While concentrating on raising taxes and dedicating revenue, public health advocates should be on the alert for other tobacco policies that might be put forward. Your coalition should agree well in advance on what you will or won't give up for a tax increase. And don't be afraid to draw public attention to the opposition if they're trying to trade public health goals for tobacco industry profit.

Consult with the experts

National tobacco control organizations and voluntary health associations play an important advisory role in state tobacco tax campaigns. Because of their history of working with a variety of states through the process of planning and implementing tobacco tax increases, they can provide a perspective that incorporates the broad range of experiences and still gives attention to important details. The combination of your team's knowledge of and experience with the state's political landscape and their national and regional expertise will multiply your chances of success.

What is your exit strategy?

Now, Create Your Strategy on this Foundation

The decision points outlined in this document will help you to set goals and ensure a solid foundation for your campaign. Now you're ready to begin planning campaign strategy. Should you consider a ballot initiative or stick with the legislative process? What is the optimal timing for a campaign? Who is the right legislative sponsor for your bill and which committee is your best bet? How do you build a strong coalition and who should be a part? What communication and decision-making processes need to be in place?

These and hundreds of other decisions must be made and modified as you undertake a winning tobacco tax campaign. With the help of tobacco control experts on the national level, as well as public health advocates and political strategists in your state, you can bring about significant health improvements through strategic use of tobacco taxes and revenues.

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