



Vermont's Cigarette Tax and Benefits of a \$1.25 Increase

Vermont's cigarette tax is \$2.62. It's vital that Vermont raise this tax by \$1.25 to \$3.87. Raising the tax is the single, most effective way to prevent youth from smoking. Coupled with a strong tobacco control program, it's one of the best ways to help smokers to quit.

A \$1.25 increase would provide \$14.92* million in new revenue and could begin restoring VT's Tobacco Trust Fund. An April 2013 poll shows 3 in 4 Vermonter favor a \$1.25 increase in the tax.

Current Northeast Cigarette Excise Tax, per pack:	
New York	\$ 4.35 (1 st in US)
Rhode Island	\$ 3.50 (3rd in US)
Connecticut	\$ 3.40 (4th in US)
Vermont	\$ 2.62 (9th in US)
Massachusetts	\$ 3.51 (2nd in US)
Maine	\$ 2.00 (12 th in US)
New Hampshire	\$ 1.78 (18 th in US)
Region average:	\$3.02

A \$1.25 increase in Vermont's tax would still leave it below neighboring New York's.

RAISING THE PRICE OF TOBACCO IS AN EFFECTIVE TOOL TO PREVENT AND REDUCE SMOKING:

Studies have repeatedly shown that increasing the price of tobacco by *at least* 10% reduces adult smoking by 3-5% and youth smoking by about 7%. In addition, low income smokers are four more times likely to quit than higher income smokers. The Vermont Low Income Advocacy Council has repeatedly supported significant increases in Vermont's cigarette tax. *Small increases are ineffective as they can be absorbed by price discounts, such as coupons, from the industry and are not noticed by the smoker.*

VT SMOKING RATES:

Adults: 17%
Youth: 13%
12th grade: 18%

About one-third of very low income (31%), and uninsured (35%) adults smoke. High school drop-outs are more likely to smoke (39%), and an estimated 38% of adults with mental illness smoke.

BENEFITS OF A \$1.25 INCREASE IN VERMONT:

- **Save \$96.65 million in long-term health care costs**
- **Raise \$14.92 million in new annual revenue**
- **Prevent 2,400 kids from becoming smokers**
- **Spur 2,700 current adult smokers to quit**
- **Save 1,400 residents from premature, smoking-caused deaths**

VERMONT TOBACCO TAX HISTORY:

- In 2002 - successful campaign to increase tax from \$0.44 to \$1.19 per pack over two years.
- In 2006 - successful campaign to increase tax by \$0.80 over two years, bringing the total to \$1.99.
- The legislature increased the tax in 2009 by \$0.25 and in 2011 by \$0.38 to its current level of \$2.62. These increases raised revenue but likely had no impact on smoking rates.

NO ADVERSE CROSS-BORDER EFFECTS:

The last time there was a year between a VT tax increase and a NH tax change was Vermont's 2006 increase from \$1.19 to \$1.79 compared to NH's \$0.80 tax. The following year, VT cigarette tax revenues rose by \$13.4 million (28.3%), & NH tax revenues fell by \$3.4 million (-2.4%).

Projections provided by National Campaign for Tobacco Free Kids