



Finance Revenue and Bonding Committee
March 7, 2011
American Cancer Society Testimony

RE: S.B. No. 1007 An Act Concerning The Governor's Recommendations On Revenue

The American Cancer Society is in strong support of the Governor's budget proposal to increase the state cigarette tax from \$3.00 to \$3.40 as well as to increase the OTP tobacco tax from .275% of wholesale cost to 50% of wholesale cost and the snuff tobacco tax from .55 cents to \$1.00 per ounce.

Currently, 455,850 (15.5%) adults and 15.3% of high school aged youth in Connecticut smoke, spending on average \$1825 per year on the habit. Smoking costs the state of Connecticut \$1.63 billion dollars a year in health care costs and an additional \$1.03 billion in lost productivity as a result of tobacco use.

This horrible toll will only continue if we don't act against it aggressively because more than 15,500 kids try a cigarette for the first time each year in Connecticut. Another 4,700 become regular daily smokers, and more than 1,500 of them will ultimately die a premature death because of it. If current trends continue, 76,000 Connecticut kids alive today will die a premature death from tobacco use.

By raising the state's cigarette tax, Connecticut WILL reduce smoking, and all its attendant devastation, especially among kids. The science could not be clearer. Based on over 100 studies, virtually every expert in this country and elsewhere has concluded that raising tobacco taxes is one of the most effective measures we can take to reduce smoking.

Raising the cigarette tax will be a huge WIN for the public health of Connecticut. It will keep more than 25,000 Connecticut kids alive today from becoming smokers and help nearly 11,000 adult smokers quit for good. In all, increasing the cigarette tax will save nearly 11,000 residents from a premature death from tobacco.

Raising the cigarette tax will also be a huge win for the fiscal health of the state. Even taking into account the declines in tobacco use that will occur; the state will realize more than \$50 million in new revenue. State after state has raised its tobacco tax to see revenues increase even as consumption declines.

Connecticut is facing a several billion-dollar budget shortfall. Vital state programs, especially those that benefit our most vulnerable citizens, are facing devastating budget cuts. There is growing concern about the cost of health care in our state. Tobacco-caused disease is a huge part of the problem, contributing immensely to costs for the state, business owners, and individuals. In addition to the revenue it will produce, the cigarette tax increase will result in more than \$540 million dollars in lifetime health care savings from those who quit smoking or never start because of the tax.

We often have to make difficult decisions without clear evidence of what the results will be. The decision to raise the cigarette tax is not one of these. It will reduce smoking; it will reduce smoking-caused disease and death. It will increase state revenues and decrease state health care expenditures.

Thank you.

####