



**FOR IMMEDIATE RELEASE:
July 26, 2007**

**Contact: Robyn Lee
202-296-5469**

**New Report Shows Wisconsin Can Save Lives and Taxpayer Money
By Increasing Cigarette Tax**

Wisconsin Would Also Raise More Than \$252 Million in New Revenue Each Year

Madison, WI (July 26, 2007) – As the Wisconsin Legislature considers life-saving legislation to increase the state cigarette tax, a report released today by public health organizations finds that increasing the state’s cigarette tax by \$1.25 a pack would dramatically reduce youth smoking, cause many adult smokers to quit, reduce tobacco-related healthcare expenses and save tens of thousands of lives. Governor Jim Doyle, cancer survivors, doctors and others joined in a press conference announcing the report, which was released by the Campaign for Tobacco-Free Kids, American Cancer Society, American Heart Association, American Lung Association, and Smoke-Free Wisconsin.

The 20-page report – titled “Tobacco Tax Choices for Wisconsin: Continue Subsidizing Smoking or Save Lives and Save Money?” – finds that a \$1.25 cigarette tax increase would:

- Decrease youth smoking by 20.9 percent, preventing 84,000 Wisconsin kids alive today from becoming smokers;
- spur 42,500 current adult smokers to quit for good;
- save 38,500 Wisconsin citizens from premature, smoking-caused deaths;
- raise \$252 million in new revenue and produce \$2 billion in long-term health care savings.

“This report provides powerful evidence that increasing the cigarette tax by \$1.25 will improve both the physical and financial health of Wisconsin for generations to come. A \$1.25 cigarette tax increase will significantly reduce smoking, save lives and lower smoking-caused health care costs,” said William V. Corr, Executive Director of the Campaign for Tobacco-Free Kids.

“Wisconsin residents overwhelmingly support this measure because they know that it will prevent kids from starting to smoke and save lives.”

A statewide poll of Wisconsin voters released in March found that 64 percent support a \$1.25 increase in the state cigarette tax, with support from a majority of Democrats, Independents, Republicans, men, women, nonsmokers and former smokers.

Governor Jim Doyle has proposed a plan to increase the state cigarette tax by \$1.25 and also increase funding for programs to prevent kids from smoking and help smokers quit. While the Senate has approved a budget that includes the cigarette tax increase and increased funding for tobacco prevention to \$30 million a year, the budget approved earlier this month by the Assembly includes neither and in fact would cut funding for Wisconsin’s Tobacco Prevention

and Control program by 92 percent from the Governor's recommendation and Senate-approved level.

Wisconsin's current cigarette tax of 77 cents per pack is far below the national average of \$1.073. A \$1.25 increase in the cigarette tax would put Wisconsin back among the states leading the charge against tobacco use and its many harms and costs. Currently, eight states (including Michigan) have cigarette taxes of \$2 per pack or higher. New Jersey has the highest state cigarette tax at \$2.575 per pack, while several cities and counties have even higher combined state-local cigarette taxes, such as \$3.66 per pack in Chicago.

The report finds that Wisconsin will realize even greater health and financial benefits if the \$1.25 cigarette tax increase is coupled with increased funding for tobacco prevention programs. From 2001 to 2004, Wisconsin cut funding for tobacco prevention programs by more than half, from \$21 million to \$10 million a year, where funding currently remains. Wisconsin's current funding of tobacco prevention amounts to just 32 percent of the minimum level of \$31.16 million recommended by the U.S. Centers for Disease Control and Prevention. The Assembly budget would reduce tobacco prevention funding to just 8 percent of the CDC minimum.

A total of 44 states have increased their cigarette taxes in recent years. The evidence is clear that increasing the price of cigarettes is one of the most effective ways to reduce smoking, especially among children and pregnant women. Studies show that every 10 percent increase in the price of cigarettes reduces youth smoking by about 6.5 percent and overall cigarette consumption by about 4 percent. In recent years, every state that has significantly increased its cigarette tax has enjoyed significant increases in revenue even while reducing smoking.

Tobacco use is the leading preventable cause of death in the United States. In Wisconsin, tobacco use claims more than 7,300 lives each year and costs the state more than \$2 billion annually in health care bills, including \$480 million in Medicaid payments alone. Government expenditures related to tobacco amount to a hidden tax of \$604 each year on every Wisconsin household. While Wisconsin has made progress in reducing youth smoking, almost 20 percent of Wisconsin high school students are still current smokers, and 8,200 more kids become smokers every year.

For a copy of the report, please visit:

<http://www.smokefreewi.org/priorities/IncrTobPrices/resources.html>