

GUEST EDITORIAL

Hike state's cigarette tax, but don't squander money

If Wisconsin lawmakers decide to increase the tax on cigarettes — which we think would be a wise move — they must ensure that the money is used effectively.

That would be to cover the rising costs of health care for smoking-related illnesses and for programs and services designed to help people quit smoking.

A \$1 increase in the cigarette tax, which Gov. Doyle has warmed to in recent weeks, would give the state about \$230 million to use for smoking-cessation programs and smokers' health costs.

Another benefit of the higher tax, which would put the state's per-pack tax at \$1.77, would also be an incentive for people to quit smoking and discourage about 75,000 young people from even starting, according to SmokeFree Wisconsin.

Smoking is not only deadly to those who have the habit, it is also very costly to taxpayers.

According to the 2006 Tobacco-Free Kids' Toll of Tobacco Report, smoking related health costs total \$1.8 billion in Wisconsin — and the part paid for by taxpayers — Medicaid — is \$440 million. Lost productivity in Wisconsin be-

YOUR VIEW

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cause of smoking is \$1.5 billion.

Targeting these costs and getting people to quit or not even begin smoking would be worth it.

If successful, this approach to smoking would result in a steadily declining source of revenue to the state — as some critics of the tax hike note. But it would result in a steadily declining cost to the state because fewer smokers would equate to fewer dollars spent on health care and fewer dollars in lost productivity.

Wisconsin had the chance to accomplish this about six years ago when the state got \$5.6 billion in future payments from the historic settlement with the tobacco industry.

The money was to be used to get people to quit smoking and pay for

smoking-related health costs over a period of 25 years through annual payments made to the state.

But instead, then-Gov. Scott McCallum and the state Legislature sold the rights to the \$5.6 billion in return for an immediate cash payment of \$1.3 billion — much of which went to plug a 2002 budget shortfall.

A mere pittance went to anti-smoking campaigns and next to nothing to cover health-care costs for smokers.

This finger-in-the-dike method of budgeting hinders Wisconsin's fiscal management because state leaders keep trying to solve serious problems with stopgap efforts.

But, if the governor and lawmakers would keep their hands off segregated funds — and face day-to-day budget realities — Wisconsin could begin to solve, rather than just manage, budget crises.

This would continue Wisconsin's progressive heritage.

So too, would a decision to increase cigarette taxes and to then put the money where it will do the most good.

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