

Statement on Increasing the State Excise Tax on Tobacco

The Georgia Society of Clinical Oncology supports a \$1.00 per pack increase in the state excise tax on cigarettes. Georgia's current excise tax on cigarettes in Georgia is 37 cents per pack and ranks as the 47th lowest among the 50 states. Significant increases in the price of tobacco have consistently proven to decrease demand and consumption. In each of the 42 states that have increased their tobacco tax since 2001, there have been proportional declines in cigarette use. If we raised the tax by 1 dollar per pack, Georgia would still be only in the average range of tobacco tax for all 50 states.

The healthcare implications of smoking declines would be significant. Studies have consistently identified tobacco as the single most preventable cause of cancer, and it is also linked with dramatically increased rates of heart disease, lung disease, SIDS, low birth weight related and other health conditions.

In addition to the preventative value of reducing tobacco consumption, the revenue generated from such an increase may provide additional funding for education, research, prevention, treatment, and outreach of cancer and other health conditions. Conservative estimates indicate that Georgia could expect \$450 million per year in additional revenue from a \$1.00 per pack increase *even after factoring in consumption declines that would result from the increase*. By contrast, Georgia's Medicaid program spent over \$500 million dollars treating uninsured tobacco related disease in 2007. Medicaid participation is also expected to increase with current health care reform legislation, and some of this needed increase in funding could potentially come from this tobacco tax.

A one dollar increase in the state tobacco excise tax represents a positive step towards good public health and good fiscal health.

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