

Comments to the Special Council on Tax Reform and Fairness

Tuesday, August 31, 2010

Paula Kreissler, Chair, Healthy Savannah Steering Committee

I am here to speak to you today in favor of raising the state's tobacco tax by a dollar a pack so that ours is closer to the national average of \$1.45 per pack. Georgia is a wonderful state, but we have our problems. The last thing we need is to be known as the state with the cheapest cigarettes and we're almost there already.

Our tax, at 37 cents per pack, ranks 48th in the country and is too low to be an effective deterrent to those young people that may be tempted to try smoking at an age when they are very likely to quickly become addicted.

Science tells us that cigarette smokers are less healthy and less productive than non-smokers. As a result, non-smokers have to pick up the slack financially and otherwise. The name of your council suggests that you are charged with making our tax system more fair. As long as our tobacco tax is so low that it does not begin to make up for the added healthcare costs of smokers and for the diminished productivity of smokers, it is not at a fair rate and it needs to be raised.

We could use the hundreds of million dollars that would be raised by the tax as well. When state and local governments and big businesses and small businesses all over the country are looking for new revenue, this is a no-brainer. As a state we should be sure not to leave money on the table as our tobacco tax continues to lag behind the tax in other states. All of our neighboring states have higher tobacco tax rates. Why have we allowed that to happen?

In Georgia, less than 1 in 5 Georgians smoke, but we still need to drive that level down even further by making cigarettes more cost prohibitive. Fewer smokers will make Georgia more healthy and more productive and that's a win for all Georgians. Please take advantage of this opportunity to recommend a significant increase in the tobacco tax as part of your tax reform package.

Thank you.