



Oklahoma Turning Point Council

COMMUNITY PARTNERS IN PUBLIC HEALTH INNOVATION

The Cigarette Tax



Oklahoma Turning Point Council (OTPC)

- OTPC is an independent statewide council focused on education and advocacy efforts aimed at improving Oklahoma's health status
- The Turning Point philosophy is anchored by two fundamental convictions:
 1. Communities have inherent strengths
 2. Everyone has a stake in public health



Oklahoma Turning Point Council (OTPC)

- The OTPC provides guidance and receives feedback from community partnerships on local and state policy issues that may impact health improvement efforts.
- OTPC sponsors community informational meetings on primary policy objectives and sponsors an annual Policy Day to engage the community in the development of primary policy objectives and advocacy efforts.



Educate the public and advocate for the increased cigarette tax

The OTPC acknowledges the traditional and sacred use of tobacco among American Indian people living in Oklahoma. Whenever the word cigarette is referenced in this presentation it refers to the use of commercial tobacco.



Public Health Burden of Smoking

- 22.2% of Oklahomans smoke¹
- Smoking is the number one cause of preventable death²
- Smoking kills more Oklahomans than alcohol, motor vehicle accidents, HIV/AIDS, suicides, murders and illegal drugs combined²



Public Health Burden of Smoking

- In 2013, almost half of nonsmoking kids in middle school and high school were exposed to secondhand smoke⁵
- Secondhand smoke contains more than 7,000 chemicals, and has been linked to an increased risk of stroke, lung cancer and coronary heart disease even in non-smokers.⁶
- Increasing cigarette prices is vital in reducing second hand smoke exposure⁷



The Real Cost of Smoking

- Oklahoma spends \$1.62 billion each year on health care costs directly caused by smoking⁸
- On average, each Oklahoma household pays \$899 on smoking related government expenditures⁸
- Increasing the cost of cigarettes not only reduces smoking rates but can also alleviate state budget shortfalls



Smoking and Oklahoma Youth

- 14.6% of Oklahoma high school students smoke⁸
- Nearly 9 out of 10 cigarette smokers tried smoking by age 18⁹



Smoking and Oklahoma Youth

- Researchers observed a “substantial and immediate impact on youth smoking rates” after the 61.66 cent increase on federal cigarette tax implemented on April 1, 2009 (Campaign for Tobacco Free Kids, 2012, p 3)



The Projected Public Health Benefits of an increased cigarette price (per pack)

	\$1.50 Increase	\$2.00 Increase
Adults smokers motivated to quit in the first year	30,400	39,500
Youth prevented from becoming adult smokers	28,200	42,400
Prevented smoking-caused premature deaths	16,700	24,000
5-year reduction of smoking complicated pregnancies and births	4,900	8,1000
5-year state Medicaid program savings	\$3.92 million	\$4.6 million



Evidence Based Strategy

- A longitudinal study conducted from 1970 to 2007 analyzed overall US cigarette consumption and determined a strong correlation between increased prices and decreased use¹⁰
- 10% increase in cigarette price reduces cigarette smoking within the general population by about 4% and reduces youth smoking rates by about 7%⁷



Common Arguments & Responses

- ‘High cigarette taxes unfairly burden the poor’
 - Low income individuals are typically on some form of public assistance and those who smoke heavily contribute to the rising cost of health care. Each year Oklahoma State Medicaid Program spends \$262 million on health care costs caused by smoking.¹³



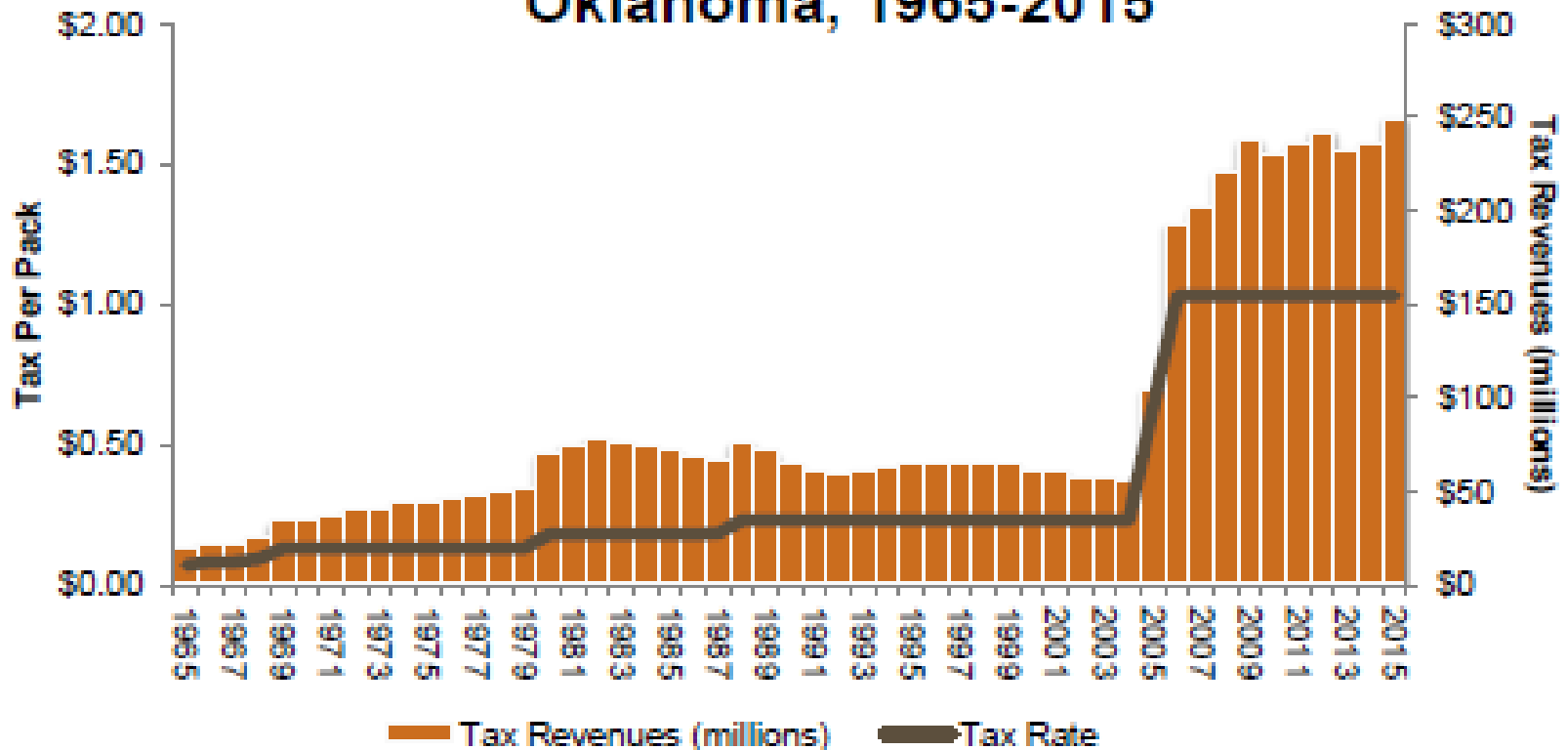
Common Arguments & Responses

- ‘Cigarette tax revenues are unpredictable and therefore not a reliable source of state income’
 - State cigarette revenues are more predictable than most other state revenue income sources such as personal income or corporate taxes¹³



Common Arguments & Responses

Cigarette Tax and Tax Revenues Oklahoma, 1965-2015





Common Arguments & Responses

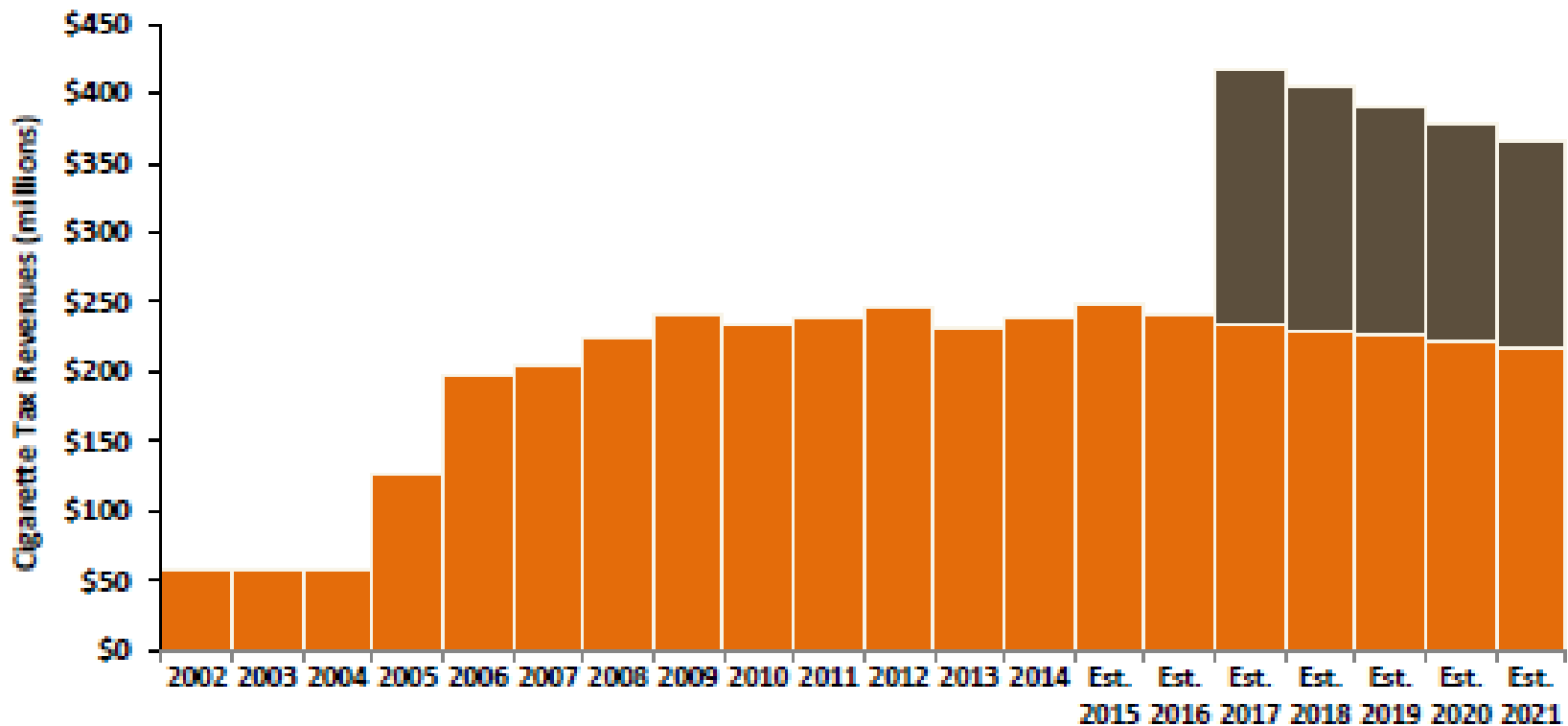
- ‘As cigarette prices increase, the decline in consumption will not yield revenue gains’
 - While the revenue declines over time as smoking declines, it is offset by reductions in public and private sector health care costs and other costs caused by smoking¹³



Common Arguments & Responses

Estimated Future Cigarette Tax Revenues, Oklahoma

Without Increase With \$1.50 Increase



Note: Data are for fiscal years ending June 30.

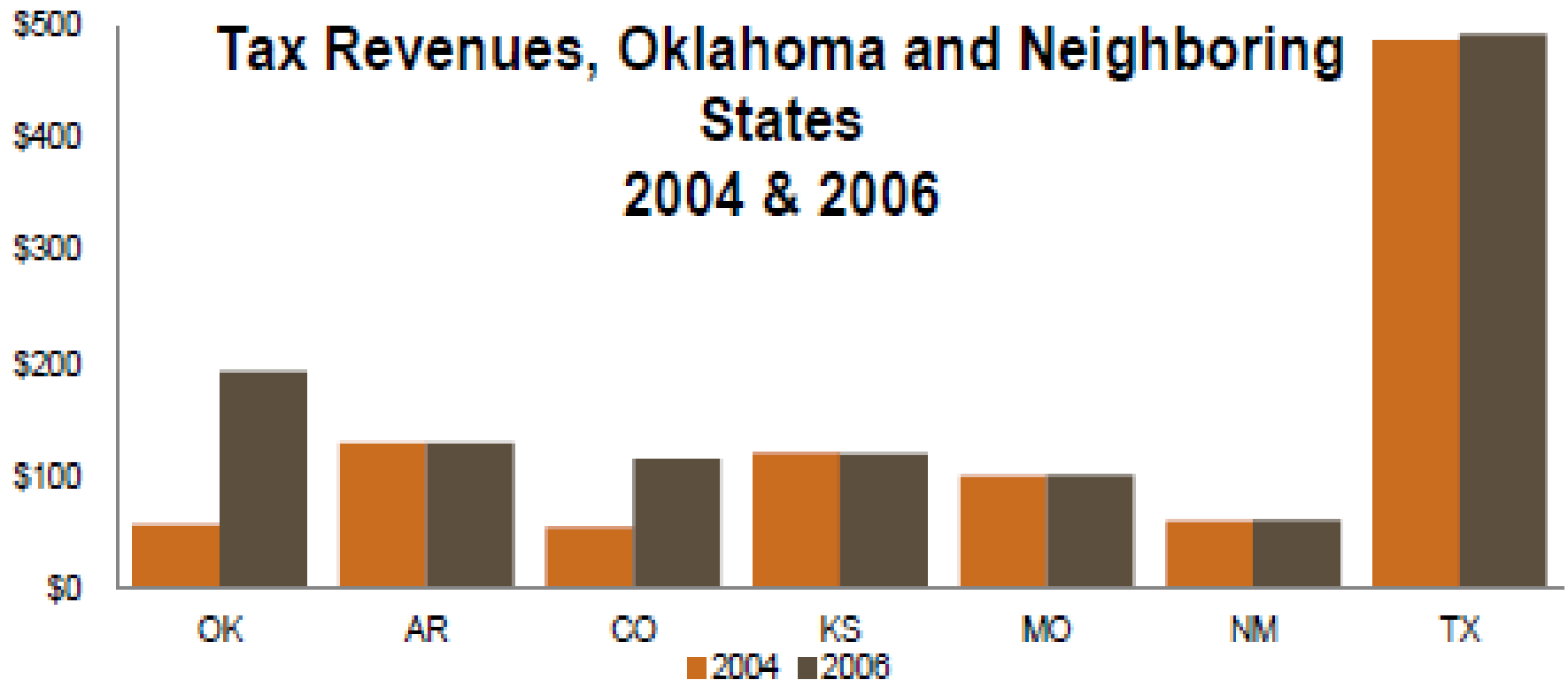


Common Arguments & Responses

- ‘Higher cigarette prices will increase smuggling and black market sales of tobacco products in attempt to avoid tax’
 - Following the 2005 increase, with the exception of Colorado which also increased cigarette tax in 2005, none of the states surrounding Oklahoma (AR, KS, MO, NM, TX) experienced significant gains in revenue ¹³



Common Arguments & Responses





Common Arguments & Responses

- ‘Higher cigarette prices will harm convenience stores’
 - \$1.00 tax increase is associated with an increase of 1 store per million population ¹¹



Win-Win!

- State polls indicate overwhelming public support for cigarette price increase¹⁴
- By increasing the cost of cigarettes, Oklahoma will reduce smoking, cut health care cost significantly and achieve significant financial gains through increased revenue



For additional information please visit

www.okturningpoint.org or

follow OTPC!



[@OKTurningPoint](https://twitter.com/OKTurningPoint)



[OK Turning Point Council](https://www.facebook.com/OKTurningPointCouncil)



Call to Action

- Sign your partnership, coalition or organization to the [Oklahoma Turning Point Council's Cigarette Tax Letter of Support](#)
- Educate and advocate for policies supporting tobacco prevention and public health
- [Contact your state elected officials](#) to voice your support for a cigarette tax increase
- [Join OTPC](#) and create partnerships in your community and state to support effective prevention policy
- [Register to vote!](#)



References

1. Behavioral Risk Factor Surveillance System, Campaign for a Tobacco Free Kids 2017.
2. Oklahoma Health Improvement Plan. (2015). Tobacco use. Retrieved from <http://ohip2020.com/#tobacco-use>
3. Centers for Disease Control and Prevention. (2015b). Economic facts about U.S. tobacco production and use. Retrieved from http://www.cdc.gov/tobacco/data_statistics/fact_sheets/economics/econ_facts/
4. Centers for Disease Control and Prevention. (2015c). Health effects of cigarette smoking. Retrieved from http://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/effects_cig_smoking/
5. Tanner, L. (2016). Secondhand smoke hits almost half of teens who don't smoke. Retrieved from <http://bigstory.ap.org/article/7da48c0920d249b58de78004871bcb9b/secondhand-smoke-hits-almost-half-teens-who-dont-smoke>
6. Centers for Disease Control and Prevention. (2014). Health effects of second hand smoke. Retrieved from http://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/health_effects/
7. Campaign for Tobacco Free Kids. (2017a). State tobacco taxes. Retrieved from http://www.tobaccofreekids.org/what_we_do/state_local/taxes/
8. Campaign for Tobacco Free Kids. (2017b). The toll of tobacco in Oklahoma. Retrieved from https://www.tobaccofreekids.org/facts_issues/toll_us/oklahoma
9. Centers for Disease Control and Prevention. (2015a). Tobacco-related mortality. Retrieved from http://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/tobacco_related_mortality/
10. Centers for Disease Control and Prevention. (2015d). Youth and tobacco use. Retrieved from http://www.cdc.gov/tobacco/data_statistics/fact_sheets/youth_data/tobacco_use/index.htm
11. Campaign for Tobacco Free Kids & Cancer Action Network. (2017). New revenues, public health benefits & cost savings from a \$1.50 cigarette tax increase in Oklahoma. Available at <http://www.tobaccofreekids.org/research/factsheets/pdf/0386.pdf>
12. Bader, P., Boisclair, D., & Ferrence, R. (2011). Effects of tobacco taxation and pricing on smoking behavior in high risk populations: A knowledge synthesis. *International journal of Environmental Research and Public Health*, 8, 4118-4139.
13. Chaloupka, F. , Huang ,J. & Laux, F. (2016). A significant cigarette tax rate increase in oklahoma would produce a large, sustained increase in state tobacco tax revenues. Retrieved from <http://tobacconomics.org/research/a-significant-cigarette-tax-rate-increase-in-oklahoma-would-produce-a-large-sustained-increase-in-state-tobacco-tax-revenues/>
14. Cole, Hargrave, Snodgrass and Associates, September 8-14, 2015.