

## Tobacco Excise Taxes Improve the Health of People with Limited Incomes

Tobacco excise tax increases – endorsed by the U.S. Surgeon General – are a highly effective tobacco control strategy because increasing price is proven to reduce smoking, especially among youth and people with limited incomes.<sup>i</sup> Tobacco excise taxes can also reduce tobacco-related health disparities among people with limited incomes and among racial and ethnic populations.<sup>ii,iii</sup> People with limited incomes have been found to be more sensitive to price than higher income populations and quit tobacco at greater rates after a tax increase.<sup>iv</sup> Current low tobacco prices continue to incentivize smoking for people with limited incomes. Tobacco excise taxes benefit people with limited incomes and reduce tobacco-related health disparities, especially when tobacco excise tax revenues are dedicated to cessation programs that serve people with limited incomes.<sup>v</sup>

### Burden of Tobacco Use on People with Limited Incomes

The tobacco industry has a long and well-documented history of targeting people with limited incomes with discounts and promotions of its deadly and addictive products dating back over 60 years.<sup>vi,vii,viii</sup> In 2020, the prevalence of cigarette use was 20.2% among adults with an annual household income less than \$35,000 which is higher than the overall adult cigarette use rate of 12.5%.<sup>ix</sup> For use of any tobacco product, 25.2% of adults with household incomes below \$35,000 annually used tobacco products, compared to 19.0% of the adult population over all.<sup>ix</sup>

Research has determined that due to reduced smoking rates resulting from the 2009 federal tobacco tax increase, 46% of the lives saved were among people with limited incomes, even though this group paid just 12% of the tax increase.<sup>x</sup>

Research has shown that people with limited incomes who use tobacco products disproportionately suffer from tobacco-related diseases, including various types of cancers, disability, and premature death.<sup>xi</sup> This is not surprising as smoking is the single largest contributing risk factor for cancer in the United States, increasing the risk of at least 12 cancers.<sup>xii</sup> Further, **tobacco use is one of the primary causes of cancer-related health disparities.**<sup>xiii,xiv,xv</sup> Research has shown that tobacco-related cancers disproportionately burden limited income communities. For example:

- ❖ People with limited incomes experience increased risk of lung cancer and the high cost associated with a lung cancer diagnosis likely exacerbates economic disparities among this population.<sup>xvi</sup>
- ❖ People with limited incomes are more likely to be diagnosed with advanced-stage lung cancer<sup>xvii</sup> and lack access to high quality cancer.<sup>xviii</sup>

Big Tobacco has a history of prioritizing corporate profits over people and communities burdened by tobacco-related illness and death.<sup>xix</sup> **The industry claims to be concerned about people with limited incomes as a reason to oppose tobacco excise tax increases, while at the same time targeting them to increase sales.** This industry “spin” ignores the public health impact of how tobacco excise tax increases save lives, reduce tobacco use, and prevent tobacco-related disease.

## Tobacco Use Hurts People with Limited Incomes – Not Tobacco Excise Taxes

Low tobacco prices enable people with limited incomes, historically targeted by Big Tobacco, to continue to use tobacco products, which leads to the greater burden of negative health impacts and medical costs. To prevent the passage of tobacco excise taxes, the tobacco industry argues that tobacco taxes hurt people with limited incomes. However, the tobacco industry has it backwards: it is the impact of smoking cigarettes and using other tobacco products that is harmful.<sup>xxi</sup> Higher smoking rates among people with limited incomes leads to disproportionately higher rates of tobacco-related disease, including cancer, heart disease, emphysema, and COPD in this population.<sup>xxii</sup> **The truth is that people with limited incomes are more likely to quit in response to regular and significant tobacco excise tax increases.**

## Tobacco Excise Tax Increases Reduce Health-Related Disparities

Tobacco excise tax increases offer far broader public health benefits than increased revenue. In *The Economic and Health Benefits of Tobacco Taxation*, the World Health Organization concluded that people with limited incomes who use tobacco are far more responsive to tobacco price increases than people with higher incomes who use tobacco and, as a result, people with limited incomes benefit the most in terms of reduced death and disease from tobacco use from a tobacco tax increase.<sup>xxiii</sup> People with limited incomes disproportionately reap the health and financial benefits of quitting.<sup>xxiii</sup> A recent study found that throughout the scientific literature increasing the price of tobacco products combined with targeted cessation services is consistently shown to reduce inequalities among people with limited incomes who smoke.<sup>xxiv</sup>

## ACS CAN's Position

ACS CAN advocates for regular and significant increases in federal, state, and local excise taxes that will increase the price of all tobacco products.

- ❖ To ensure a meaningful reduction in tobacco consumption and tobacco-related disease and death, tobacco excise tax increases should include a minimum increase of \$1.00 per pack of cigarettes with a parallel excise tax on all other tobacco products, including e-cigarettes.
- ❖ There should be tax parity for all tobacco products, including e-cigarettes, cigars, pouches, pipe tobacco, snus, hookah and all other smokeless tobacco products.
- ❖ Tax increases should be just one part of a comprehensive approach to tobacco control, including creating 100% smoke-free environments and well-funded, fact-based tobacco prevention and cessation programs.

<sup>i</sup> U.S. Department of Health and Human Services. *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014. Printed with corrections, January 2014.

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