

What would you say to a plan that will significantly increase the state's revenue AND save lives?

**YES**



## Pennsylvania's Comprehensive Tobacco Control Program

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Tobacco use takes a huge toll in health, lives and money on every state in the nation. Tobacco-related health care bills cost the states and taxpayers billions of dollars each year under Medicaid and other state-funded health care programs. The good news is that state and local governments can reduce tobacco use, save lives and save money by implementing proven solutions to the problem. The solutions include:

**Well-funded tobacco prevention and cessation programs:** The states collect nearly \$22 billion a year in tobacco-generated revenue from tobacco taxes and the 1998 state tobacco settlement. Just seven percent of this tobacco money would be enough to fund tobacco prevention and cessation programs in every state at levels recommended by the U.S. Centers for Disease Control and Prevention (CDC). Unfortunately, only two states - Delaware and Alaska - currently fund prevention programs at CDC-recommended levels.

- Pennsylvania currently spends \$14.7 million on tobacco prevention and cessation programs. The CDC recommends that Pennsylvania spend \$155.5 million to properly address tobacco prevention and cessation. In 2010, 45% of the tobacco prevention and cessation fund has been re-directed to the state's general fund.

**Higher Tobacco Taxes:** Higher tobacco taxes are a win-win-win solution for the states: A health win that reduces smoking and saves lives; a fiscal win that raises much-needed revenue; and a political win that is popular with the public.

- Pennsylvania is the only state that does not generate revenue from other tobacco products. A tax on other tobacco products would generate millions of dollars in revenue for the state and help decrease our community's dependence on tobacco products.

**Smoke-Free Workplaces and Public Places:** Secondhand smoke is scientifically proven to cause lung cancer, heart disease and serious respiratory illnesses and is responsible nationally for thousands of deaths each year. That's why a growing number of states and communities are passing comprehensive smoke-free workplace laws that protect everyone's right to breathe clean air.

- In 2008, Pennsylvania passed the Pennsylvania Clean Indoor Air Act. Unfortunately, this Act does not protect many workers and patrons in the hospitality industry. Passing a stronger clean indoor air law would protect all workers from the dangerous effects of secondhand smoke exposure and promote a fair playing field for all business owners.

**YES**

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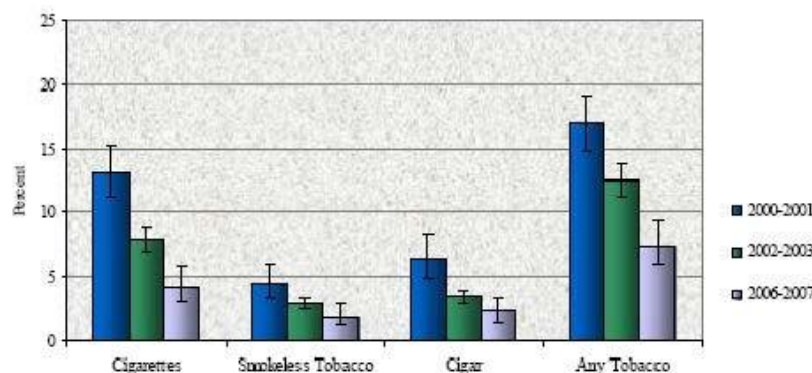
**YES**



## Tobacco Prevention and Cessation

- Tobacco is the leading preventable cause of death, killing more than 400,000 people each year.
- Nearly 90% of lung cancer cases, 1/3 of total cancer deaths, and 1 in 5 deaths from heart disease are tobacco-related.
- Evidence-based, statewide tobacco control programs that are comprehensive, sustained, and accountable have been shown to reduce smoking rates, tobacco related deaths, and diseases caused by smoking.
- Research shows that the more states spend on comprehensive tobacco control programs, the greater the reductions in smoking; and the longer states invest in such programs, the greater and faster the impact.
- Tobacco prevention and cessation programs prompt sharp reductions in smoking levels among both adults and children by both increasing the number who quit or cutback and reducing the number who start or relapse.

*Percentage of Current Tobacco Use\* Among Middle School Students (Grades 6-8)  
Pennsylvania, 2000-2001, 2002-2003, and 2006-2007*



Source: Pennsylvania Youth Tobacco Survey, 2000-2001, 2002-2003, and 2006-2007, Pennsylvania Department of Health, Division of Tobacco Prevention and Control.

\* Current tobacco use is using a tobacco product on one or more days of the past 30 days prior to the survey. Any tobacco includes cigarettes, smokeless, cigars, pipes, bidis, and kreteks. I denotes 95% confidence interval.

**YES**

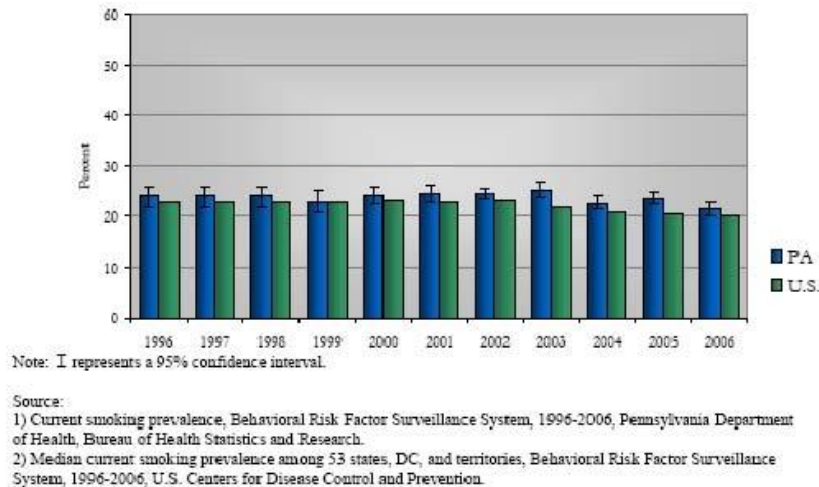
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- Pennsylvania spends \$5.2 billion dollars annually on health care costs contributed to tobacco related diseases. By decreasing the smoking rate in Pennsylvania with effective tobacco prevention and cessation programs, Pennsylvania could save millions of dollars in health care costs.
- Pennsylvania's tobacco prevention and cessation program has been successful. Since 2004, there has been a gradual, but significant, drop in smoking prevalence in Pennsylvania.

*Percentage of Adults Who Smoke, by Year, Pennsylvania vs. United States, 1996-2006*



- Tobacco cessation is more cost-effective than other common and covered disease prevention interventions, such as the treatment of hypertension and high blood cholesterol.
- According to the CDC, cost analyses have shown tobacco cessation benefits to be either cost-saving or cost-neutral. Overall, cost/expenditure to employers equalizes at three years; benefits exceed costs by five years. In contrast, the annual cost of tobacco use is about \$3,400 per smoker or about \$7.18 for each pack of cigarettes sold.

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## Other Tobacco Products Health Risks and Statistics

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### Health

- The Surgeon General has determined that the use of oral snuff can lead to oral cancer, gum disease, and nicotine addiction, and increases the risk of cardiovascular disease, including heart attacks.
- Smokeless tobacco users are at a heightened risk for oral cancer compared to non-users. These cancers can form within five years of regular use.
- All smokeless tobacco products contain nicotine, a highly addictive chemical, and cause equivalent nicotine levels in the blood as smoking cigarettes.
- Smokeless tobacco products are as addictive as cigarettes and can cause the same type of dependence, which makes quitting smokeless tobacco very difficult.
- Smokeless tobacco use during youth can lead to a lifetime of addiction to smokeless tobacco or, frequently, to cigarettes, as the nicotine addiction created by smokeless use ultimately leads to habitual smoking.
- A 2008 study from the WHO International Agency for Research on Cancer concluded that smokeless tobacco users have an 80 percent higher risk of developing oral cancer and a 60 percent higher risk of developing pancreatic and esophageal cancer.

### Statistics

- According to the CDC, Smokeless tobacco use in the United States is higher among people who are employed in blue collar occupations, service/laborer jobs, or who are unemployed. Those employed in these occupations are less likely to have adequate health insurance.
- The second most commonly used tobacco product in Pennsylvania is smokeless tobacco.
- Approximately 7 percent of Pennsylvania adult males use smokeless tobacco, compared to the national average of 3 percent.

**YES**

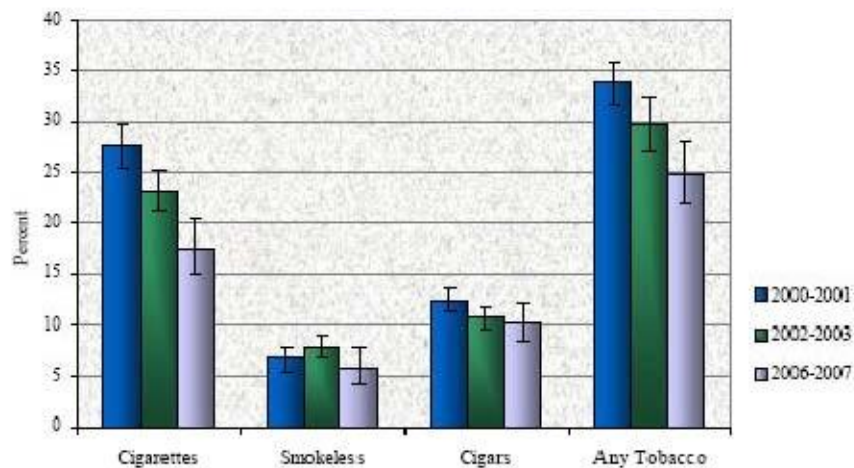
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- The 2006-2007 Pennsylvania Youth Tobacco Survey indicates that seven percent of middle school students and 15 percent of high students have experimented with smokeless tobacco.

*Percentage of Current Tobacco Use\* Among High School Students (Grades, 9-12)  
Pennsylvania, 2000-2001, 2002-2003, and 2006-2007*



Source: Pennsylvania Youth Tobacco Survey, 2000-2001, 2002-2003, and 2006-2007. Pennsylvania Department of Health, Division of Tobacco Prevention and Control.

\* Current tobacco use is using a tobacco product on one or more days of the past 30 days prior to the survey. Any tobacco includes cigarettes, smokeless, cigars, pipes, bidis, and kreteks. I denotes 95% confidence interval.

- Pennsylvania is the only state that does not have an excise tax on smokeless tobacco.

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## Other Tobacco Products

### *Pennsylvania Would Benefit from a percentage of price excise tax on Non Cigarette Tobacco Products*

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- The common practice among states is to tax spit or smokeless tobacco, cigars, pipe tobacco, and the various other tobacco products besides cigarettes at a percentage of their wholesale price (sometimes referred to as the manufactures price).
- Percentage of price tax rates automatically increase with inflation and other tobacco product price increases, thereby protecting the state's tax rate and revenues from being eroded over time.
- Taxing as a percentage of wholesale/manufacturer price also enables states to set their tax rates on all other tobacco products at a rate comparable to their cigarette tax rates simply by calculating what their state cigarette tax per pack rate equals as a percentage of the average wholesale/manufacturer price for cigarettes.
- Pennsylvania's current \$1.60 per pack cigarette tax translates into roughly 55 percent of wholesale price for smokeless tobacco, cigars, and other tobacco products.
- The taxes placed on cigarettes and other tobacco products would be roughly the same, not just for tax equality but to prevent youth initiation and to avoid providing incentives for users to switch from one tobacco product to another cheaper, under-taxed one instead of quitting.
- Under a weight-based system, smokeless tobacco manufacturers could manipulate the weight versus nicotine delivery ratios of their various products and brands to minimize the applicable tax.

Source: Campaign for Tobacco Free Kids ([www.tfk.org](http://www.tfk.org))

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## New Style of Moist Snuff Smokeless Weighs Much Less



**Camel Snus**  
1 tin (20 pouches) = 0.28 oz.

Typical Moist Snuff Smokeless  
1 tin = 1.2 to 1.5 oz.



**Taboka**  
1 box (12 pouches) = 0.1 oz.



**UST Skoal Dry**  
1 tin (20 pouches) = 0.28 oz

**YES**

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## Other Tobacco Products Projected Revenue & Allocation

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### Revenue

- Pennsylvania is currently the only state that has no tax on non-cigarette tobacco products, such as smokeless (spit) tobacco, cigars, and pipe tobacco. Establishing a percentage-of-price tax on non-cigarette tobacco products in Pennsylvania would not only raise state revenue but also help to reduce tobacco use and related harms and costs in the state.
- Taxes placed on cigarettes and other tobacco products should be roughly the same, not just for tax equity but to prevent youth initiation and to avoid providing incentives for users to switch from one tobacco product to another cheaper, under-taxed one instead of quitting. **Pennsylvania's current \$1.60 per pack cigarette tax translates into roughly a 55 percent of wholesale price for smokeless tobacco, cigars, and other tobacco products.**
- Projections indicate that Pennsylvania would bring in at least \$100 million in annual new revenue from establishing a cigarette-comparable tax rate of 70 percent of wholesale price on non-cigarette tobacco products.

### Allocation

- The potential revenue from this proposed excise tax is considerable and would go far to support public health initiatives. The Breathe Free Coalition recommends that revenue raised through the taxation of other tobacco products be used to support the Tobacco Prevention and Cessation Fund and Chronic Care initiatives.

#### Tobacco Prevention and Cessation Fund

- The Tobacco Prevention and Cessation Fund was initially established by Act 77, in response to Pennsylvania's allocation of the Master Settlement Agreement Fund. In recent years, this fund has been decreased to aid other health care initiatives. It is imperative that funding be restored so that tobacco prevention and cessation programs can continue in our local communities.

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- Without adequate funding, tobacco prevention and cessation programs will cease to reach members of the community addicted to nicotine; therefore, the state's health care system will continue to be burdened with the cost of treating tobacco related diseases.
- Pennsylvania spends \$5.2 billion dollars annually on health care costs contributed to tobacco related diseases.
- The Centers for Disease and Control (CDC) recommends that Pennsylvania spend \$155.5 million dollars annually on tobacco prevention and cessation programs. Pennsylvania currently spends \$14.7 million on these programs due to funding decreases over the last several years.

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## Comprehensive Clean Indoor Air Legislation

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- Comprehensive clean indoor air legislation is legislation that prohibits smoking in all indoor workplaces and public places. A comprehensive clean indoor air law would protect all workers and the public from the dangers of secondhand smoke exposure and would provide a level playing field for all businesses across the Commonwealth.
- All workers deserve to be protected from the harmful effects of secondhand smoke exposure. Unfortunately, Pennsylvania's law still leaves many workers in the hospitality industry exposed to this harmful carcinogen. Only by enacting comprehensive clean indoor air legislation, can we give all Pennsylvania workers the protection they deserve.
- Although the Pennsylvania Clean Indoor Air Act makes an exception for some workplaces that have separate ventilation systems for smoking and non-smoking sections, The American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), in the summer of 2005, issued this statement – "At present, the only means of effectively eliminating health risks associated with indoor exposure is to ban smoking activity. No other engineering approaches, including current and advanced dilution ventilation or air cleaning technologies, have demonstrated or should be relied upon to control health risks from ETS [environmental tobacco smoke] exposure in spaces where smoking occurs." (<http://www.no-smoke.org>)
- "Secondhand smoke is a known cause of lung cancer, heart disease, chronic lung ailments such as bronchitis and asthma (particularly in children), and low birth-weight births." ([www.tfk.org](http://www.tfk.org))
- "Exposure to secondhand smoke has been estimated to result in at least 38,000 annual deaths in the United States and over one million illnesses in children." ([www.tfk.org](http://www.tfk.org))

**YES**