Indiana Society for Public Health Education

Position on Tobacco Tax increase in Indiana

**Introduction:**

The purpose of Indiana SOPHE is to promote, encourage, and contribute to the advancement of the health of all people and to advance the health education/promotion profession through research, service, leadership, education, and distribution of appropriate materials. Tobacco is the leading cause of preventable death in the U.S. This is a significant health problem in Indiana and contributes to Indiana’s health ranking as 38th in the nation in 2017. About 1 in 5 (21.1%) of Hoosier adults were current smokers in 2016.1 This represents the 10th highest smoking prevalence among all states in the U.S. Nationally, 15.5% of adults are smokers.2 Over 11,000 Hoosiers die prematurely each year from tobacco related illnesses.3 The *Healthy People 2020* goal is to reduce cigarette smoking in adults to 12% or less by the year 2020.

**Background:**

The American Lung Association in Indiana has partnered with Tobacco Free Indiana and the Alliance for a Healthier Indiana to advocate jointly with the campaign “Raise It for Health.” This is a campaign to increase the tobacco tax by $1.50 per pack, to raise the legal age to purchase tobacco products from 18 to 21 and to increase funding for tobacco prevention and cessation programs.

Almost 90% of smokers begin before the age of 18. About 5,700 Indiana children under 18 years of age begin smoking every year.4,5 Approximately 15% of Indiana women smoked during pregnancy in 2014.6  Maternal smoking is associated with low birth weight babies and preterm deliveries. Over 1,400 Hoosiers die prematurely every year from secondhand smoke exposure.7 Secondhand smoke exposure is responsible for over 900 low birth-weight babies annually.7

In addition to adverse health effects, tobacco results in a high financial burden to Hoosiers, as well as employers. Direct health care costs attributable to smoking was estimated to be $2.9 billion in 2009. Health care costs associated with secondhand smoke exposure was estimated to be $1.3 billion.8 Loss of productivity due to smoking is estimated to be $2.6 billion annually. In addition, high healthcare costs make the state less attractive for businesses who are considering locating here.

Tobacco use disproportionately affects minority, low-income populations and people with behavioral health and substance abuse disorders.

Increasing the price of tobacco products is the single most effective method for decreasing the rate of smoking, especially in youth and low-income individuals. This provides a strong financial incentive to quit, or to avoid starting smoking, especially in teenagers. There is a dose-response relationship between the increased price of cigarettes and demand. As the price of cigarettes increases, sales go down. For every 10% rise in the price of cigarettes, overall cigarette consumption goes down by 3-5%, and smoking among pregnant women goes down 7%.9The 2000 U.S. Surgeon General’s Report concluded that increasing tobacco taxes results in substantial long-term improvements in health, and are one of the most effective smoking prevention and control strategies.10

Indiana’s excise tax on cigarettes is $0.995, which is 34th among all states. In neighboring states, the tax is $1.98 in Illinois, $2.00 in Michigan, $1.60 in Ohio and $2.52 in Wisconsin. The average state excise tax is $1.72. Indiana has not increased its excise tax in over a decade (since July 2007).11

In every state that has raised its cigarette tax, state revenues have increased.12 Tobacco taxes are a reliable source of state revenue.13 It is recommended that a substantial portion of the revenue from tobacco taxes be used for combatting tobacco advertising and to increase funding for smoking cessation programs.

**Position Statement:**
InSOPHE supports the efforts of the “Raise It for Health” campaign and its goals of reducing tobacco use in Indiana and improving the health of all Hoosiers.

**References:**

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