



## **Legislative Update and ACTION ALERT**

**June 12, 2009**

*Please read and forward to your colleagues and networks!*

## **House Passes Budget without Cigarette Tax Increase**

**Call Your Senator THIS WEEK to Urge a \$1 Increase in  
the Cigarette Tax  
It's a Win, Win, Win for NC**

**An Increase in NC's Cigarette Tax (and Tax on Other Tobacco  
Products) will Save Lives, Raise Revenue and is Supported by  
the Public.**

Early Saturday morning, the House passed its \$18.6 billion budget plan, which included a \$784 million revenue package that will mitigate some of the worst cuts previously proposed. House members have been struggling for weeks to address an estimated deficit of over \$4.6 billion. With House action now complete on the budget, the House and Senate must now work to resolve significant differences between the House and Senate budget proposals in a conference committee expected to be appointed this week.

The original House revenue package proposed would have generated about \$940 million and included a 25 cent increase in the cigarette tax. However, members of the House Finance Committee voted to eliminate the taxes on tobacco products, beer, and wine. Rep. Van Braxton (D- Greene, Lenior, Wayne) proposed an amendment during the committee meeting to remove the tobacco tax from the revenue package which passed 22 to 7. An effort was also made to restore the cigarette and alcohol taxes on the House floor but that failed 100 to 14 in a procedural vote.

The final House revenue package includes the following: an expanded sales tax base that will include more services; a quarter cent increase in the sales tax rate; an income tax rate increase from 7 to 8.25% for incomes between \$200,000 and \$500,000 and 8.5 % for incomes over \$500,000; the elimination of some corporate loopholes; and an increase in the liquor tax. Governor Purdue proposed a \$1 cigarette tax increase in her budget proposal. The Senate has yet to complete action on a revenue proposal. That action could begin this week.

**With possible action in the Senate this week on a revenue package and the imminent efforts of a House/Senate Budget Conference Committee, ample opportunity exists to see a significant tobacco tax included in the final budget.**

**Call Your Senator TODAY!**

# Why Increase the Cigarette Tax by \$1.00?

**Saves Lives:** Raising North Carolina's cigarette excise tax by \$1.00 will reduce smoking among youth by 16.5%, preventing tobacco addiction among 87,000 of North Carolina's youth. It will also generate 5-year health savings of \$22.5 million from smoking-affected pregnancies and births, \$33.5 million in heart attacks and strokes, contributing to an overall savings of \$2.1 billion from preventable illness and death.

**Raises Needed Revenue:** A \$1.00 increase in the cigarette tax is estimated to raise \$334 million in the first year, more than enough to protect the over \$40 million in proposed cuts to public health programs alone. There are numerous public health programs still slated for reductions that could be avoided with additional revenue from tobacco taxes. Public health programs save the state money through preventative services and allow more people access to important public health services during these difficult economic times.

*In addition, North Carolina now has the 3rd lowest cigarette tax in the nation.* The national average now stands at \$1.27. North Carolina's tax rates on other tobacco products (OTPs) is also well below the national average. Other tobacco products include snuff, chewing tobacco, and other products that are not FDA-approved for tobacco cessation. [Click here](#) for Alliance talking points in raising the cigarette tax by \$1.00.

**Enjoys Overwhelming Public Support:** The North Carolina Alliance for Health recently commissioned a poll that found that 79 percent of likely NC voters support a \$1.00 increase in the cigarette tax (67% strongly in favor). The poll, conducted June 5-7, 2009 by Public Policy Polling, asked more than 400 registered, likely voters around the state about their support for the proposed tax.

**Tell your Senator to raise the cigarette tax by \$1.00 per pack.  
It will save lives while raising revenue and protecting public health  
programs.  
It's a WIN, WIN, WIN for North Carolina.**

## How to Contact Your Senator:

**To call** your representative, please call 919-733-4111 and ask for the member by name to be transferred.

**To email** your Senator, go to: <http://www.ncleg.net/gascripts/members/memberList.pl?sChamber=Senate> and double click on the name of your senator to send an email message at the click of a button.

If you are not sure of the name of your Senator, check the General Assembly's website at:

<http://www.ncleg.net/GIS/RandR07/Home.html>

On this page, you may look up your representative or senator by district number, by County, or by Zip Code +4. (Use the Postal Service's [ZIP Code Look-Up Engine](#) to find your zip code +4).

## Talking Points for a \$1.00 Cigarette Tax Increase:

**A \$1.00 cigarette tax increase will save lives, raise nearly \$334 million in new revenue in the first year alone and could preserve public health programs. 79% of likely NC voters support an increase of \$1.00.**

**Raising North Carolina's cigarette excise tax by at least \$1.00 will:**

- Reduce smoking among youth by 16.5%, preventing tobacco addiction among 87,000 of North Carolina's youth.

- Reduce smoking among North Carolina adults, helping 58,900 people quit smoking, and saving the lives of 43,300 North Carolinians from a premature smoking-caused death.
- Generate 5-year health savings of \$22.5 million from smoking-affected pregnancies and births, \$33.5 million in heart attacks and strokes, contributing to an overall savings of \$2.1 billion from preventable illness and death.
- Generate nearly \$334 million in new revenue in the first year; preserving all public health programs slated for cuts or elimination in current House budget proposals would cost at least \$40 million, leaving additional funding to cover other unmet state needs.
- According to a July 2008 report from the Trust for America's Health, a modest, strategic investment in disease prevention could result in significant savings in NC health care costs, up to \$6.20 for every \$1 invested.

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**For additional information about the North Carolina Alliance for Health, please contact Alliance Executive Director Lisa Familo at [lisa.familo@ncallianceforhealth.org](mailto:lisa.familo@ncallianceforhealth.org); or Alliance Policy Director Pam Seamans at [pamseamans@nc.rr.com](mailto:pamseamans@nc.rr.com).**

**Or, go to [www.ncallianceforhealth.org](http://www.ncallianceforhealth.org) for talking points and other resources.**

**Call 919-463-8328  
or e-mail [ncalliance@heart.org](mailto:ncalliance@heart.org) for more information**

To unsubscribe, please email Lisa Familo at [lisa.familo@ncallianceforhealth.org](mailto:lisa.familo@ncallianceforhealth.org).

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<sup>i</sup> "Benefits from a \$1.00 Cigarette Tax Increase in North Carolina" Campaign for Tobacco-Free Kids. prepared June 9, 2009. Figures account for the 61.66 federal cigarette tax effective April 1, 2009. Additional and more detailed information can be found at: <http://www.tobaccofreekids.org/research/factsheets/pdf/0281.pdf>.