

American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association/American Stroke Association
American Nurses Association - New York
Boys & Girls Clubs of the Capital Area
Campaign for Tobacco-Free Kids
Community Health Care Association of New York State
Lupus and Allied Diseases Association, Inc.
March of Dimes
Medical Society of the State of New York
Memorial Sloan Kettering Cancer Center
Mental Health Association in New York State
NAACP, NYS Conference
NAMI – NYS
New York Public Interest Research Group
NYS Academy of Family Physicians
NYS American Academy of Pediatrics, Chapters 1, 2 & 3
New York State Association of County Health Officials
New York State Association for Rural Health
New York State Osteopathic Medical Society
New York State PTA
New York State Public Health Association
Parents Against Vaping e-cigarettes
Roswell Park Comprehensive Cancer Center
University of Rochester Medical Center
Weill Cornell Medicine Sandra and Edward Meyer Cancer Center

December 15, 2020

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo,

As public health and leading civic organizations across the state, we would like to thank you for your leadership and commitment to New Yorkers during this unprecedented time. While we continue to battle the COVID-19 pandemic, public health is at the forefront of every New Yorker's mind. With the World Health Organization stating smokers are likely more vulnerable to severe and potentially life-threatening cases of COVID-19, it is imperative the FY 2021-2022 Executive Budget take aggressive action to curtail tobacco use.

At this critical moment, we must do everything in our power to keep our communities healthy and safe. People who smoke or who used to smoke are at increased risk for severe illness from

COVID-19. Smoking is a proven risk factor for cancer, chronic obstructive pulmonary disease (COPD) and heart disease, which put people at increased risk for severe illness from COVID-19.

Despite the well documented benefits of tobacco tax increases, New York has not increased most tobacco taxes in over a decade. **Tobacco tax increases are a win-win-win; they improve public health, reduce healthcare costs, and generate revenue.** As such, we respectfully request a cigarette tax increase of at least \$1.00 per pack and the establishment of tax parity with other tobacco products be included in your FY 2021-2022 Executive Budget.

New York's Tobacco Burden

There is no better time to act. Once at the forefront of cigarette taxes in the nation, New York's cigarette tax is now surpassed by the District of Columbia, Puerto Rico, and numerous other municipalities across the country. Consider these facts:

- An estimated 22,290 deaths every year are attributed to smoking in New York.
- Approximately 12.8% of New York adults are still smoking.
- Tobacco use remains the leading preventable cause of death and a significant contributing factor to heart disease, and stroke, that nation's number one, and number five cause of mortality.
- Lung cancer is the leading cause of cancer death in both men and women in New York.
- After years of downward trends in New York, the smoking rate among high school students increased from 4.3% to 4.8%.
- Disparities in smoking rates persist, most notably by race, mental health, income, and education, thanks in part to Big Tobacco's targeted marketing and advertising in these communities.

Public Health Benefits

A significant increase in tobacco taxes will have a positive impact on the number of people who smoke, especially youth who are price sensitive. The projected health benefits of increasing the cigarette tax by \$1.00 per pack in New York include¹:

- Youth under age 18 kept from becoming adult smokers: 29,500
- Reduction in young adult (18-24 years old) smokers: 6,500
- Current adult smokers who would quit: 61,800
- Premature smoking-caused deaths prevented: 24,400
- 5-Year reduction in the number of smoking-affected pregnancies and births: 6,000

An increase in New York's tobacco taxes is a good public health policy and an investment in the future.

Reduced health care costs

In addition to the public health benefits, a tobacco tax is essential to help make a dent in the \$9.7 billion New York spends annually on tobacco-related healthcare costs. The projected health care savings of increasing the cigarette tax by \$1.00 per pack in New York include:

¹ Projected numbers of youth prevented from smoking and dying are based on all youth ages 17 and under alive today. Projected reduction in young adult smokers refers to young adults ages 18-24 who would not start smoking or would quit as a result of the tax increase.

- 5-Year health care cost savings from fewer smoking-caused lung cancer cases: \$12.05 million
- 5-Year health care cost savings from fewer smoking-affected pregnancies and births: \$16.10 million
- 5-Year health care cost savings from fewer smoking-caused heart attacks & strokes: \$26.01 million
- 5-Year Medicaid program savings for the state: \$46.11 million
- Long-term health care cost savings from adult & youth smoking declines: \$1.86 billion.²

Increased Revenue

Increasing tobacco taxes saves on long term healthcare expenditures and will also generate new revenue for New York as we face a \$14.5 billion budget deficit. For New York, an increase in the cigarette tax by \$1.00 per pack is estimated to generate \$30.40 million in new annual state revenue.³

In addition, this projection does not account for the additional revenue raised from an increase in taxes on other tobacco products (OTPs). Raising state tax rates on OTPs, including e-cigarettes, to parallel the increased cigarette tax rate will bring the state additional revenue, public health benefits, and cost savings (and promote tax equity). With unequal rates, the state loses revenue each time a cigarette smoker switches to other tobacco products taxed at a lower rate.

New York cannot afford to cut public health programs during a pandemic

Tobacco tax increases produce reliable sources of new revenue that must be used to fund our state's public health programs, most notably the state's tobacco control program which helps smokers quit and counters Big Tobacco messaging to keep kids from starting. At this critical moment with people focused on protecting their respiratory health, we must do everything in our power to keep our communities healthy and safe—which means investing and maintaining our commitment to a strong public health infrastructure including comprehensive tobacco

² Savings to state Medicaid programs include estimated changes in enrollment resulting from federal laws in effect as of January 1, 2020 and state decisions regarding Medicaid expansion. Long-term cost savings accrue over the lifetimes of persons who stop smoking or never start because of the tax rate increase. All cost savings are in 2020 dollars. The state Medicaid cost savings projections, when available, are based on enrollment and cost estimates by Matt Broaddus at the Center on Budget and Policy Priorities using data from the Centers for Medicare and Medicaid Services

³ Projections are based on research findings that nationally, each 10% increase in the retail price of cigarettes reduces youth smoking by 6.5%, young adult prevalence by 3.25%, adult prevalence by 2%, and total cigarette consumption by about 4% (adjusted down to account for tax evasion effects.). The projections were generated using an economic model developed jointly by the Campaign for Tobacco-Free Kids and the American Cancer Society Cancer Action Network and are updated annually. The projections are based on economic modeling by researchers with Tobacconomics: Frank Chaloupka, Ph.D., and John Tauras, Ph.D., at the Institute for Health Research and Policy at the University of Illinois at Chicago, and Jidong Huang, Ph.D., and Michael Pesko, Ph.D., at Georgia State University. The projections also incorporate the effect of ongoing background smoking declines, population distribution, and the continued impact of any recent state cigarette tax increases or other changes in cigarette tax policies on prices, smoking levels, and pack sales. These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from possible new smuggling and tax evasion after the rate increase and from fewer sales to smokers or smugglers from other states, including sales on tribal lands. For ways that the state can protect and increase its tobacco tax revenues and prevent and reduce contraband trafficking and other tobacco tax evasion, see the Campaign for Tobacco-Free Kids (CTFK) factsheet, State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, <https://www.tobaccofreekids.org/assets/factsheets/0274.pdf>.

control measures. Long after this pandemic passes, people deserve to live full, healthy lives free from the ills of tobacco use.

Thank you for being a continued champion of public health. We would be happy to discuss the benefits of tobacco taxes with you and your staff. We look forward to working with your administration during the FY 2021-2022 legislative session.

Sincerely,

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Cc: Dr. Howard Zucker, Commissioner of Health
Robert Mujica, New York State Budget Director