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Senate Assessment and Taxation Committee
Senator Les Donovan, Chair
Senator Caryn Tyson, Vice Chair
Senator Tom Holland, Ranking Minority

RE: SB 233– Relating to taxation of cigarettes and tobacco products
Reagan Cussimano, Government Relations Director – Kansas
American Cancer Society Cancer Action Network

Chairman Donovan and Members of the Committee,

The American Cancer Society Cancer Action Network (“ACS CAN”) is the advocacy affiliate of the American Cancer Society (the “Society”). The Society is a nationwide, community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy, and service.

Increasing tobacco taxes is an evidence-based policy approach to accomplishing the critical public health goals of reducing smoking-related death and disease. Tobacco taxes are also a powerful economic tool resulting in large savings in health care costs. That’s why forty-seven states and the District of Columbia have increased their cigarette taxes since 2002; some states more than once. In 2013, three states including Massachusetts, Minnesota and Oregon increased their cigarette taxes and in 2014, Vermont, approved legislation increasing their cigarette tax. In addition, it is a popular one. Poll results from a February 2015 survey show that 73 percent of Kansans support an increase in the tobacco tax, including 64 percent of Kansas voters who favor increasing the state tobacco tax by \$1.50. The poll, completed by Public Opinion Strategies, was completed among 500 likely voters in Kansas.

The public health benefits from reduced smoking are reason enough to support the increase in the cigarette tax. However, the economic benefits are also vitally important--especially given the current financial condition faced by the State. A \$1.50 increase would generate just under \$72 million, with almost an additional \$9 million when the rate of taxation on other tobacco products is increased from 10 to 25 percent of wholesale. But more importantly, this increase would translate into 25,400 fewer

Kansas kids becoming addicted to cigarettes, 25,800 current adult smokers would quit, and 14,900 Kansas lives would be saved.

Smoking costs Kansas \$1 billion annually in direct expenses for smoking-related healthcare, including \$237 million in Medicaid expenditures. By raising the tobacco tax we can attack the \$825 per household that people from our state are forced to spend on tobacco related costs and save taxpayers money. This is based on the simple idea, backed up by years of evidence, that when you raise taxes on tobacco you encourage current smokers to quit and discourage young people from starting. This is a reasonable means to recover a portion of the cost borne by the state due to cigarette use.

Thank you for the opportunity to testify on this important issue. Please feel free to contact me directly if I can provide any additional information or if you have any questions.



Kansas Statewide Survey

Key findings from a statewide survey of 500 likely voters in Kansas,
conducted February 9-11, 2015.

Glen Bolger

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Project #15062



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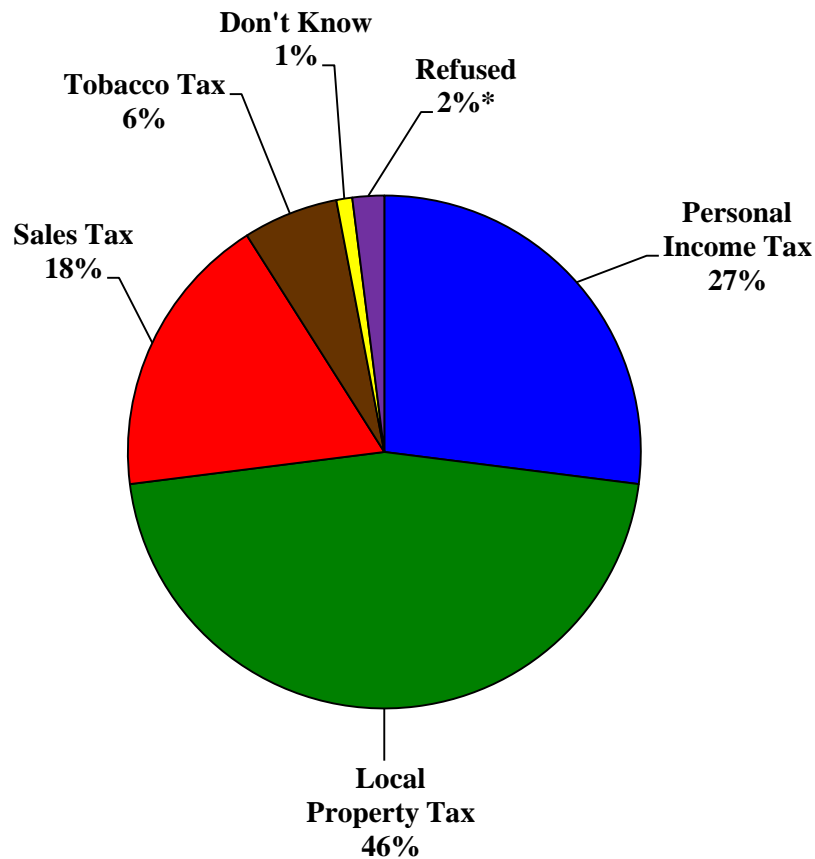
Methodology

Public Opinion Strategies is pleased to present the key findings of a statewide telephone survey conducted in Kansas. The survey was completed February 9-11, 2015, among 500 likely voters, including 150 cell phone respondents, and has a margin of error of $\pm 4.38\%$.

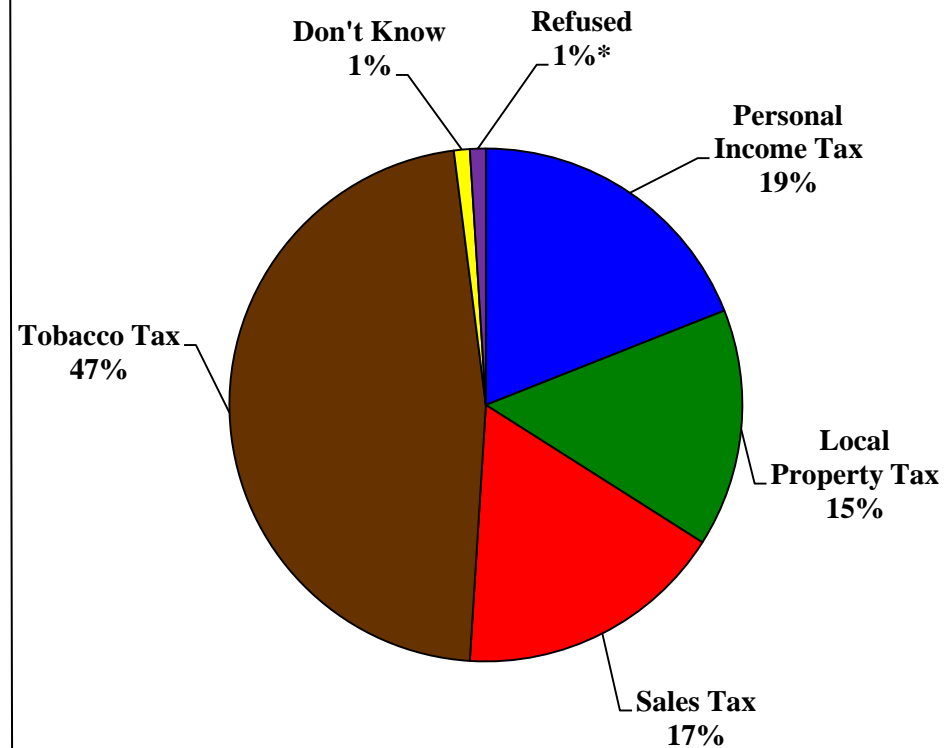
Glen Bolger was the principal researcher on this project. Kyle Clark was the project director, and Trevor Spranger provided analytical support.

Nearly half of voters do not want to see their local property taxes increase. They are least opposed to raising the tobacco tax.

“Which one of the following state taxes would you be MOST opposed to increasing in Kansas?”[^]



“Which one of the following state taxes would you be LEAST opposed to increasing in Kansas?”^{^^}

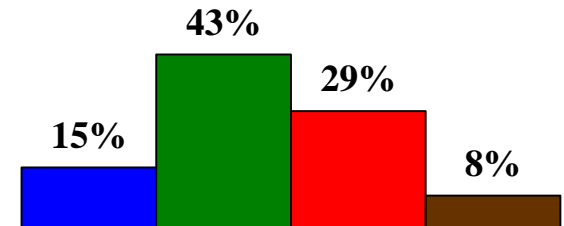
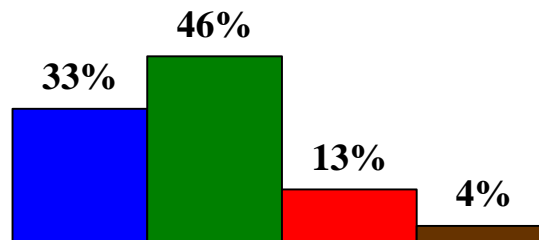
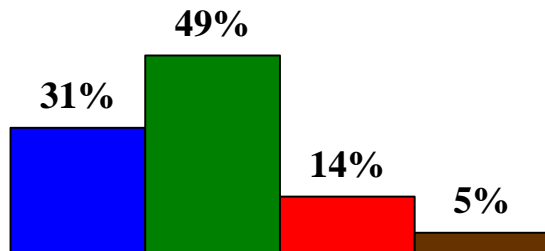


[^]Split Sample A, N=253. ^{^^}Split Sample B, N=247.

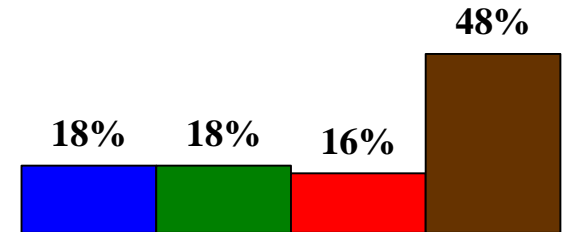
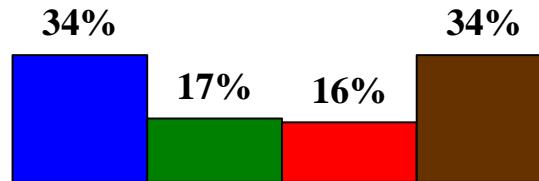
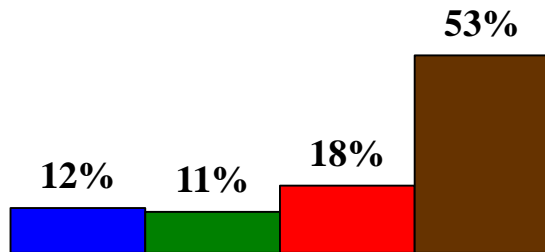
Republicans and Democrats both say they would be least opposed to a tobacco tax increase.

Tax Increase by Party

Most Opposed[^]



Least Opposed^{^^}



Total GOP
(47%)

Lean/Independent
(23%)

Total Democrat
(27%)

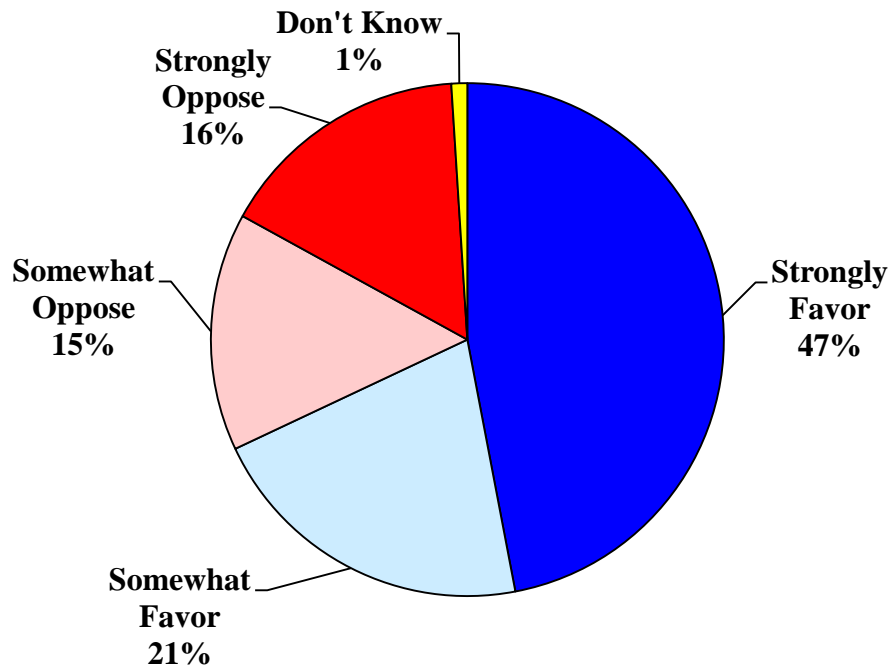
■ Personal Income Tax ■ Local Property Tax ■ Sales Tax ■ Tobacco Tax

[^]Split Sample A, N=253. ^{^^}Split Sample B, N=247.

Voters favor increasing the state tobacco tax and using the revenue to lower either the state income or sales tax. The income tax proposal carries a higher intensity of support.

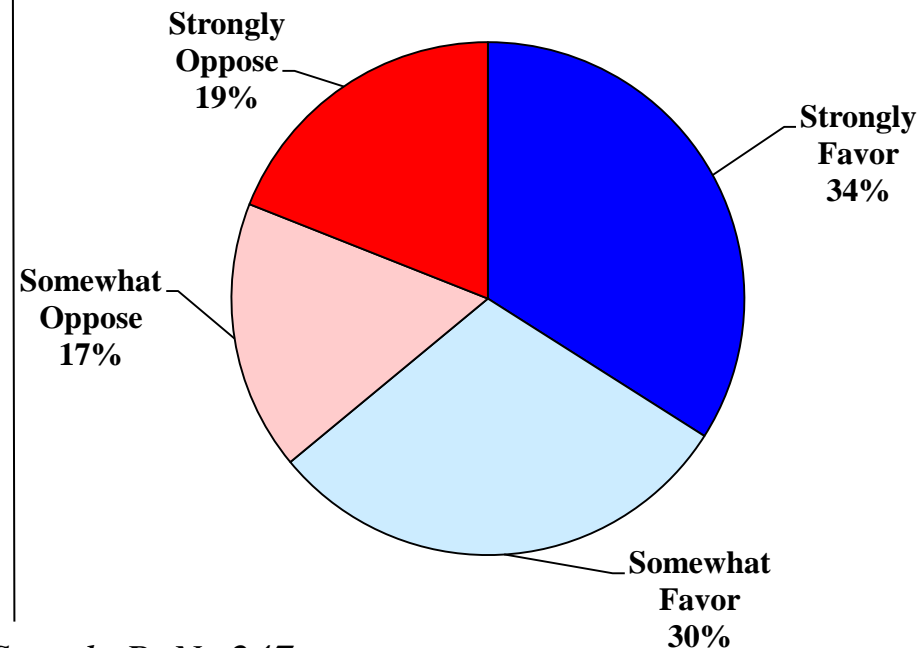
“Would you favor or oppose a proposal that would raise the state tobacco tax and use the revenue to reduce the state income tax?”[^]

Total Favor: 67%*
Total Oppose: 31%



“Would you favor or oppose a proposal that would raise the state tobacco tax and use the revenue to reduce the state sales tax?”^{^^}

Total Favor: 63%*
Total Oppose: 36%

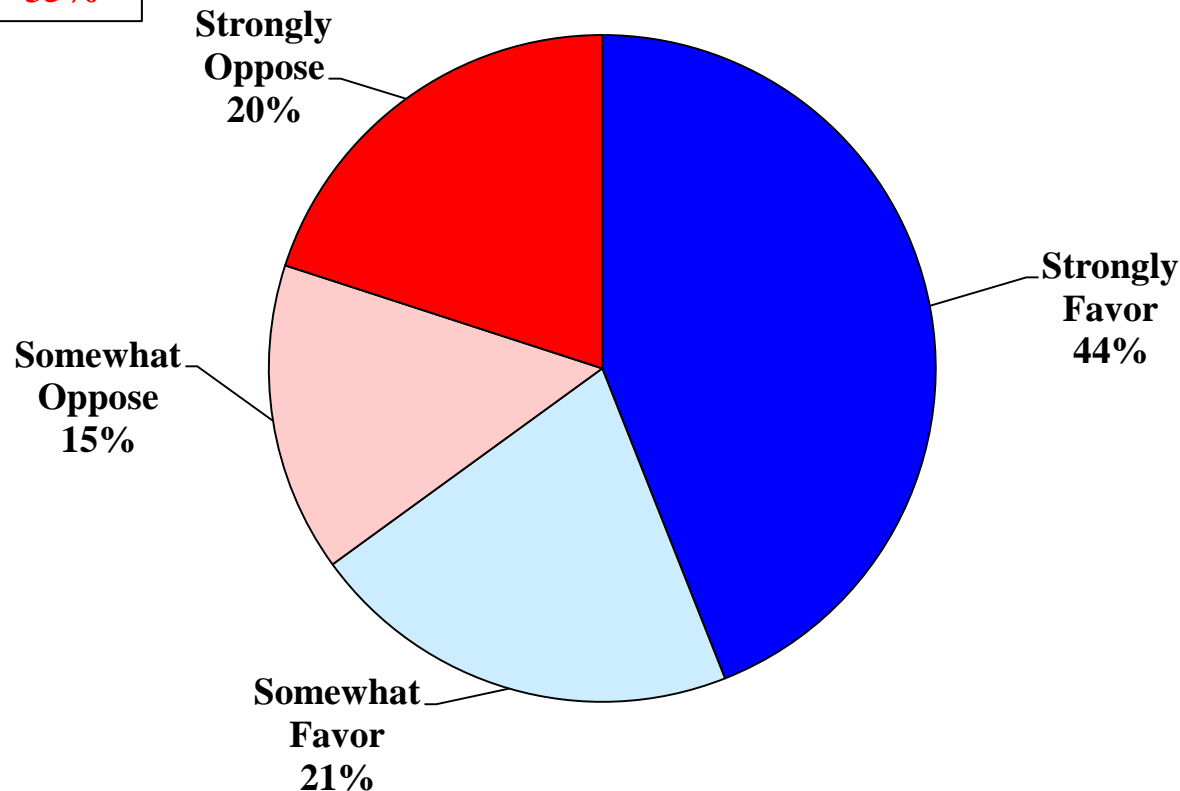


**Denotes Rounding. [^]Split Sample A, N=253. ^{^^}Split Sample B, N=247.*

Support is high for a \$1.50 per pack state cigarette tax increase that would be used to reduce other state taxes.

“Would you favor or oppose a one dollar and fifty cent per pack increase in the state cigarette tax, plus an equivalent increase for other tobacco products like cigars and chewing tobacco, with the revenue dedicated to reducing other state taxes?”

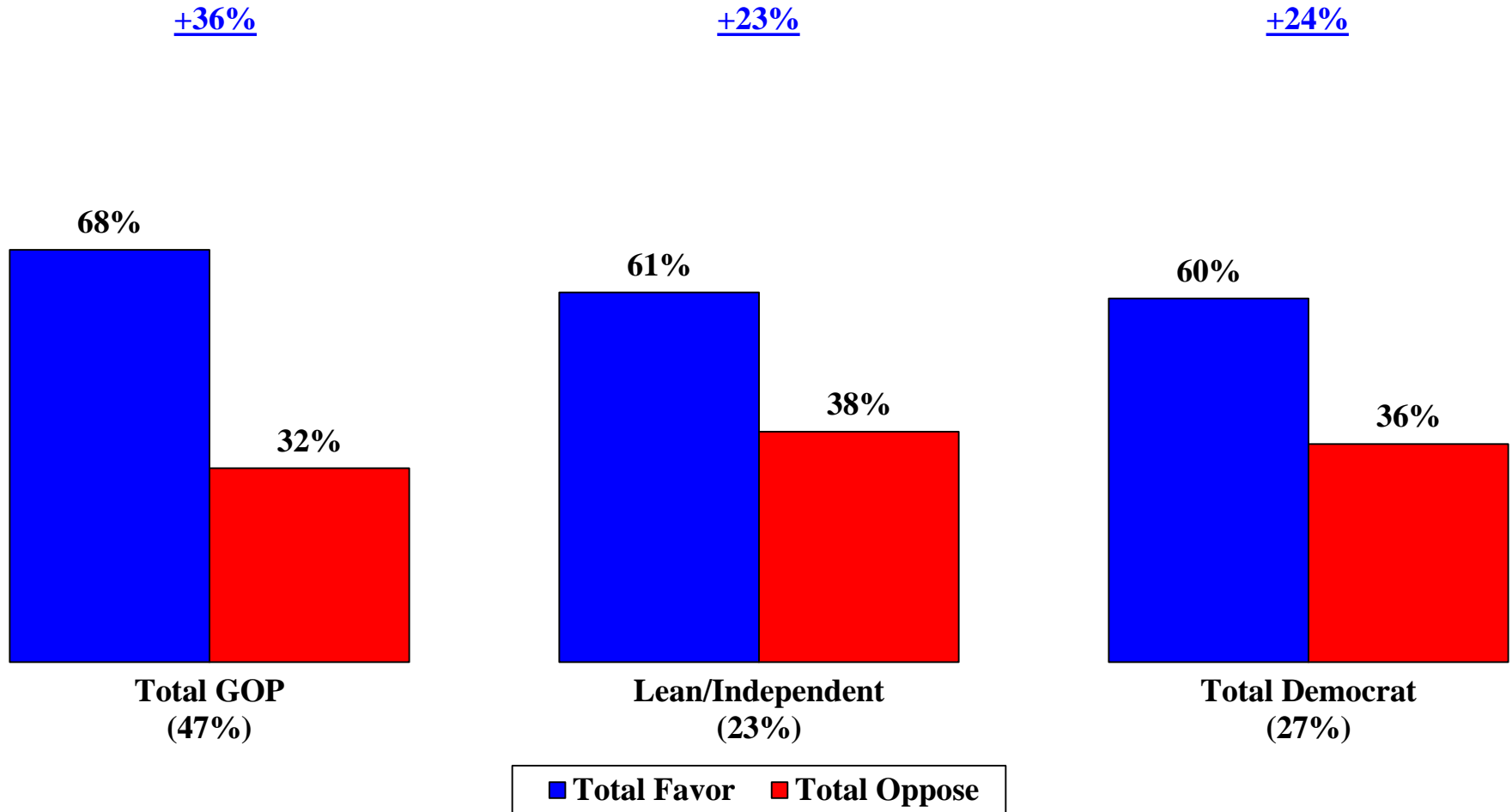
Total Favor: 64%*
Total Oppose: 35%



**Denotes Rounding.*

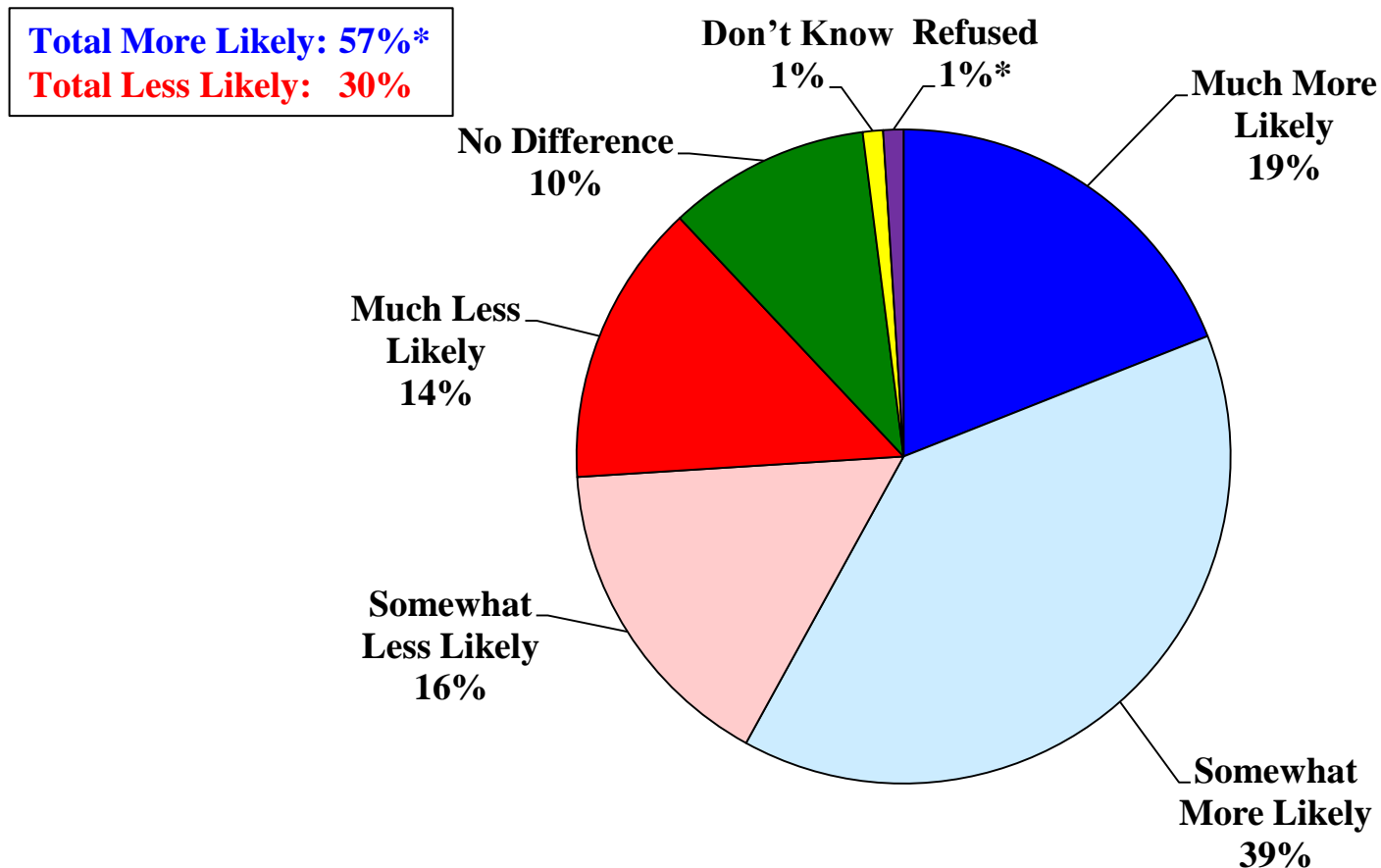
Significant majorities of Republicans, Independents and Democrats all back the \$1.50 plan.

\$1.50 Per Pack Cigarette Tax Increase by Party



A solid majority of voters say they would be more likely to support a candidate who supported a \$1.50 per pack tax increase.

“And, would you be more likely or less likely to support a candidate for political office here in Kansas if they supported a one dollar and fifty cent per pack increase in the state tobacco tax, with the revenue dedicated to reducing other state taxes?”



**Denotes Rounding.*

**For more information about this presentation or about
Public Opinion Strategies, please give us a call.**

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Turning Questions Into Answers

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