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No Butts, Tax Hike a Win-Win

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All of the proposals to solve New Mexico's budget crisis will involve difficult choices. But one proposal is actually a win-win-win for our state — raising the cigarette tax by one dollar per pack.

Win One: A dollar-a-pack tax will generate more than \$33 million per year in badly needed tax revenue to help fund important programs from public safety to higher education.

This revenue source will continue year after year and allow us to avoid cuts in critical basic state services.

Win Two: Increasing cigarette taxes will reduce the number of children and teens who smoke. According to the U.S. surgeon general, making cigarettes more expensive is the most effective deterrent to young people starting to smoke.

When cigarettes are more expensive, fewer kids will choose to take up the noxious habit because of their limited disposable

income. Studies show that a 10 percent increase in cigarette tax slashes teen smoking rates by about seven percent.

State programs to discourage youth smoking have yielded some results in the past few years, but now tobacco settlement funds used for this purpose may be diverted to fill the budget gap. An increased price will serve the same purpose, and in fact, there is no more effective method of curtailing teen smoking.

Win Three: Increasing cigarette taxes will save the state millions in Medicaid expenses.

For each pack of cigarettes sold here, New Mexico Medicaid spends \$2.78 for treatment of tobacco related illnesses among our state's poor and working people.

In New Mexico, a staggering 100 million packs of cigarettes are sold in a single year. Even a modest reduction in smoking rates will pay enormous dividends in reduced Medicaid spending.

Many of the arguments against the tax are simply based in fallacy.

Cigarette taxes do not hurt businesses. In states where cigarette taxes have been increased, there has been no appreciable reduction in retail sales. Money not spent on

cigarettes is simply shifted to other consumer goods.

Cigarette taxes are not unfair to the poor. In fact, the poor are the most likely to be stricken by smoking-related illnesses like cancer and emphysema.

The poor are statistically the most likely to quit smoking when taxes go up.

Better yet, the tax is completely avoidable, unlike income taxes. Smokers can take advantage of the numerous smoking cessation programs funded by the state and nonprofit groups. They can save their health and save a dollar a pack at the same time.

A huge majority of voters support increased cigarette taxes, especially when compared to more broad based taxes like taxes on food and merchandise.

A poll completed last January by Research and Polling of 500 registered voters from around the state shows that 76 percent of respondents support a dollar-a-pack increase in cigarette taxes. Fifty-seven percent of those who identified themselves as smokers support the tax increase. I cannot imagine any other revenue enhancer or budget cut that would enjoy such widespread support among the public.

It is rare in government that we have

an opportunity for a win-win-win. I urge my colleagues in the Legislature and the governor to join with the American Cancer Society, the Heart and Lung Association as well as an array of other community groups to support Senate Bill 30, the dollar-a-pack cigarette tax to help balance our budget.