

Impact of Tobacco in North Dakota: The Need to Increase Tobacco Taxes to Reduce Healthcare Costs, Protect Kids, and Save Lives

Health & Economic Costs of Tobacco to North Dakota

Tobacco is an addictive and deadly product. Smoking harms nearly every organ in the bodyⁱ and remains the number one cause of preventable death. In North Dakota:

- 13.3% of adults smoke cigarettes.ⁱⁱ
- 19.6% of high school students use tobacco products.ⁱⁱⁱ
- 28.3% of cancer deaths are caused by smoking.^{iv}
- Smoking is estimated to cost North Dakota \$379 million in direct health care costs, including \$61.1 million in Medicaid costs annually.^v
- Smoking costs the state \$715 million in productivity costs annually.^{vi}
- On average, North Dakota residents pay \$910 per household in state and federal taxes from smoking-caused government expenditures, whether they smoke or not.^{vii}

Everyone Benefits from Tobacco Tax Increases

ACS CAN calls on North Dakota lawmakers to increase the cigarette tax by \$1.09 per pack and tax all other tobacco products as a percent of their wholesale price parallel to the new cigarette tax to reduce health care costs, protect kids, and save lives. It is important that when considering an excise tax increase on any tobacco product the tax should be increased on all tobacco products to an equivalent rate to encourage people to quit rather than switch to a cheaper product and prevent youth from starting to use any tobacco product.

Regular and significant tobacco tax increases have a meaningful, measurable track record of success for states.

- **Save Lives:** Significant tobacco tax increases are one of the most effective ways to prevent kids from starting to use tobacco and help adults quit.^{viii,ix} Increasing North Dakota's cigarette tax by \$1.09 per pack would prevent 500 kids from becoming adults who smoke, help 1,700 adults who smoke quit, and save 400 lives.^x
- **Save Money:** Substantial increases in cigarette tax rates not only save lives, but it also generates significant increases in new revenue.^{xi} In fact, every state that has significantly increased its cigarette tax has also boosted its state revenue.^{xii} Additionally, significant tobacco tax increases reduce healthcare costs. Increasing North Dakota's cigarette tax by \$1.09 per pack would generate \$24.15 million in new annual revenue for the state as well as provide \$28.55 million in long-term health care cost savings from adult and youth smoking declines.^{xiii}
- **Voters Approve:** National and state polls consistently have found overwhelming public support for tobacco tax increases. In fact, many polls have shown voters are more likely to support a candidate who supports increasing the price of tobacco.

Together we can create a cleaner, safer, healthier North Dakota by significantly increasing tobacco taxes on all forms of commercial tobacco products.

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ⁱ Centers for Disease Control and Prevention (CDC). Health Effects of Cigarette Smoking. Updated April 28, 2020. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/effects_cig_smoking/

ⁱⁱ Centers for Disease Control and Prevention (CDC). 2023 Behavioral Risk Factor Surveillance System <https://www.cdc.gov/brfss/brfssprevalence/index.html>

ⁱⁱⁱ Centers for Disease Control and Prevention (CDC). 2023 Youth Risk Behavior Survey. <https://www.cdc.gov/healthyyouth/data/yrbs/results.htm>

^{iv} Smoking-Related Cancer Deaths in 2020 Analysis by ACS, 2023.

^v Campaign for Tobacco-Free Kids. The Toll of Tobacco in North Dakota. Updated 08.16.24. https://www.tobaccofreekids.org/problem/toll-us/north_dakota

^{vi} Campaign for Tobacco-Free Kids. The Toll of Tobacco in North Dakota. Updated 08.16.24. https://www.tobaccofreekids.org/problem/toll-us/north_dakota

^{vii} Campaign for Tobacco-Free Kids. The Toll of Tobacco in North Dakota. Updated 08.16.24. https://www.tobaccofreekids.org/problem/toll-us/north_dakota

^{viii} U.S. National Cancer Institute and World Health Organization. The Economics of Tobacco and Tobacco Control. National Cancer Institute Tobacco Control Monograph 21. NIH Publication No. 16-CA-8029A. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; and Geneva, CH: World Health Organization; 2016.

^{ix} HHS, 2014.

^x American Cancer Society Cancer Action Network, Campaign for Tobacco-Free Kids, and Tobaccoomics. New Revenues, Public Health Benefits & Cost Savings from a \$1.09 Cigarette Tax Increase in North Dakota. January 10, 2025.

^{xi} Campaign for Tobacco-Free Kids. Raising State Cigarette Taxes Always Increases State Revenues (And Always Reduces Smoking). Updated December 27, 2023. Available at: <http://www.tobaccofreekids.org/research/factsheets/pdf/0098.pdf>.

^{xii} Campaign for Tobacco-Free Kids. Raising State Cigarette Taxes Always Increases State Revenues (And Always Reduces Smoking). Updated December 27, 2023. <https://assets.tobaccofreekids.org/factsheets/0098.pdf>

^{xiii} American Cancer Society Cancer Action Network, Campaign for Tobacco-Free Kids, and Tobaccoomics. New Revenues, Public Health Benefits & Cost Savings from a \$1.09 Cigarette Tax Increase in North Dakota. January 10, 2025.