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**NEW REVENUES, PUBLIC HEALTH BENEFITS & COST SAVINGS
FROM A \$2.00 CIGARETTE TAX INCREASE IN NEBRASKA**

- The current state cigarette tax is \$0.64 per pack (42nd among all states and DC).
- Annual health care expenditures in Nebraska directly caused by tobacco use are \$924 million.

Projected New Annual Revenue from Increasing the Cigarette Tax by \$2.00 Per Pack: \$73.37 million

New Annual Revenue is the amount of additional new revenue the first full year the tax increase is in effect. The state will collect less new revenue if it fails to apply the rate increase to all cigarettes and other tobacco products held in wholesaler and retailer inventories on the effective date.

Projected Public Health Benefits for Nebraska from the Cigarette Tax Rate Increase	
Percent decrease in youth (under age 18) smoking:	15.0%
Youth under age 18 kept from becoming adults who smoke:	2,800
Reduction in young adults who smoke (18-24 years old):	500
Current adults who smoke who would quit:	8,000
Premature smoking-caused deaths prevented:	2,700
5-Year reduction in the number of smoking-affected pregnancies and births:	900
5-Year health care cost savings from fewer smoking-caused lung cancer cases:	\$1.35 million
5-Year health care cost savings from fewer smoking-affected pregnancies and births:	\$2.17 million
5-Year health care cost savings from fewer smoking-caused heart attacks & strokes:	\$900,000
5-Year Medicaid program savings for the state:	\$1.84 million
Long-term health care cost savings from adult & youth smoking declines:	\$140.06 million

1.12.24 ACS CAN / January 23, 2024

- Small tax increase amounts do not produce significant public health benefits or cost savings because the cigarette companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Splitting a tax rate increase into separate, smaller increases in successive years will similarly diminish or eliminate the public health benefits and related cost savings (as well as reduce the amount of new revenue).
- Raising state tax rates on other tobacco products (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 someone who smokes cigarettes switches to other tobacco products taxed at a lower rate. To parallel the new \$2.64 per pack cigarette tax, the state's new OTP tax rate should be 40% of the wholesale price with minimum tax rates for each major OTP category linked to the state cigarette tax rate on a per-package or per-dose basis. The state's new e-cigarette tax rate should be 24% of the retail price.

Explanations & Notes

Health care costs listed at the top of the page are from the U.S. Centers for Disease Control and Prevention (CDC). Annual health care expenditures in Nebraska directly caused by tobacco use are in 2018 dollars and are based on the CDC's 2014 *Best Practices for Comprehensive Tobacco Control Programs*.

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). However, the impact of the tax increase varies from state-to-state, based on the starting pack price. Significant tax increases generate new revenues because the higher tax rate per pack brings in more new revenue than is lost from the tax-related drop in total pack sales.

The projections also incorporate the effect of ongoing background smoking declines, population distribution, and the continued impact of any industry pricing changes, 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 people who smoke 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>.

Projected numbers of youth prevented from smoking and dying are based on all youth ages 17 and under alive today. Projected reduction in young adults who smoke refers to young adults ages 18-24 who would not start smoking or would quit as a result of the tax increase. Savings to state Medicaid programs include estimated changes in enrollment due to the expiration of pandemic-related federal legislation prohibiting states from removing enrollees. 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 2024 dollars.

Projections for cigarette tax increases much higher than \$1.50 per pack are limited, especially for states with relatively low current tax rates, because of the lack of research on the effects of larger cigarette tax increase amounts on consumption and prevalence. While cigarette tax rate increases of more than \$1.50 will bring in more revenue and provide greater public health benefits than smaller projections, due to limitations of the model and available research, the projections included on this sheet may be less precise than for projections for lesser amounts. Projections for cigarette tax increases much lower than \$1.00 per pack are also limited because small tax increases are unlikely to produce significant public health benefits.

Ongoing reductions in state smoking rates will, over time, gradually erode state cigarette tax revenues, in the absence of any new rate increases. However, those declines are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues, which can drop sharply during recessions. In addition, the smoking declines that reduce tobacco tax revenues will simultaneously produce much larger reductions in government and private sector smoking-caused health care and other costs over time. See the CTFK factsheet, *Tobacco Tax Increases are a Reliable Source of Substantial New State Revenue*, <https://www.tobaccofreekids.org/assets/factsheets/0303.pdf>.

The projections in the table on this fact sheet were generated using an economic model developed jointly by Tobacconomics, the Campaign for Tobacco-Free Kids, 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, Jidong Huang, Ph.D., at Georgia State University, and Michael Pesko, Ph.D., at the University of Missouri. The state Medicaid cost savings projections, when available, are based on enrollment and cost estimates by Gideon Lukens at the Center on Budget and Policy Priorities using data from the Centers for Medicare and Medicaid Services.

For other ways states can increase revenues (and promote public health) beyond just raising cigarette tax rates, see the CTFK factsheet, *The Many Ways States Can Raise Revenue While Also Reducing Tobacco Use and Its Many Harms & Costs*, <https://www.tobaccofreekids.org/assets/factsheets/0357.pdf>.

Additional information and resources to support tobacco tax increases are available at:

<https://www.tobaccofreekids.org/what-we-do/us/state-tobacco-taxes/fact-sheets>

<http://fightcancer.org/tobacco/taxes/>

<http://tobacconomics.org/>

For more on sources and calculations, see <https://www.tobaccofreekids.org/assets/factsheets/0281.pdf> or <https://www.fightcancer.org/policy-resources/state-tobacco-tax-increases-explanations-and-sources-projections-new-revenues>.

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2023 Session

- The definition of "snuff" was updated to indicate that it includes tobacco that is intended to be placed in the mouth or nose.
- Legislation was passed to allow for the annual certification of cigar lounges. A cigar lounge must meet an annual threshold whereby at least 15% of their total sales must come from the sale of cigars.
- Cigarette and tobacco law was expanded to include electronic smoking devices. While there are no tax implications at this time, changes included:
 - Adding and updating definitions for "electronic smoking device", "outlet", "place of business", "retailer", "dealer", and "distributor".
 - Expanded licensure requirement for distributors and dealers and made it illegal to sell electronic smoking devices without a license.
 - Updated the record keeping and reporting requirements of distributors to include electronic smoking devices.
 - Expanded the record retention time period from one year to three years.

2021 Session

- No changes with regards to tax administration for cigarette and tobacco products.

2019 Session

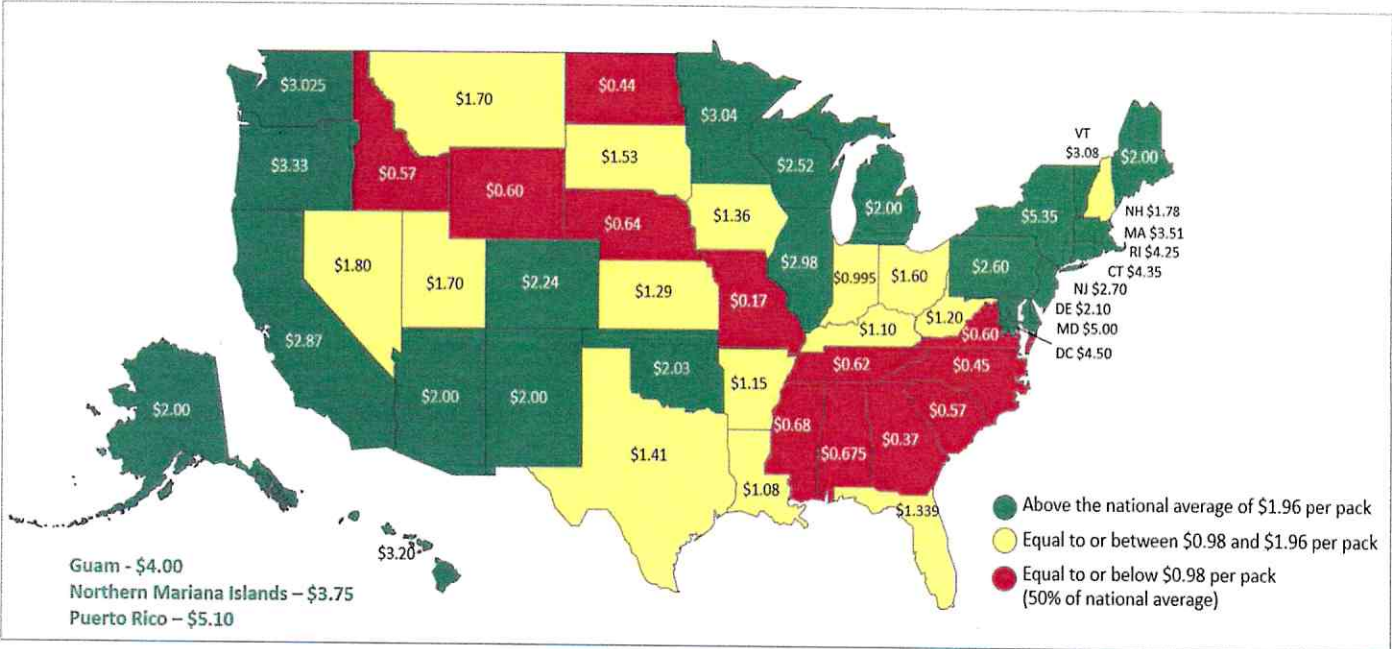
- New legislation authorizes the governor, in consultation with the tax commissioner, to enter into an agreement with any, or all of, the five North Dakota Indian Tribes for administration of tribal wholesale taxes on cigarette, tobacco and alcoholic beverages and gross receipts tax on retail sales of alcoholic beverages.

2015 Session

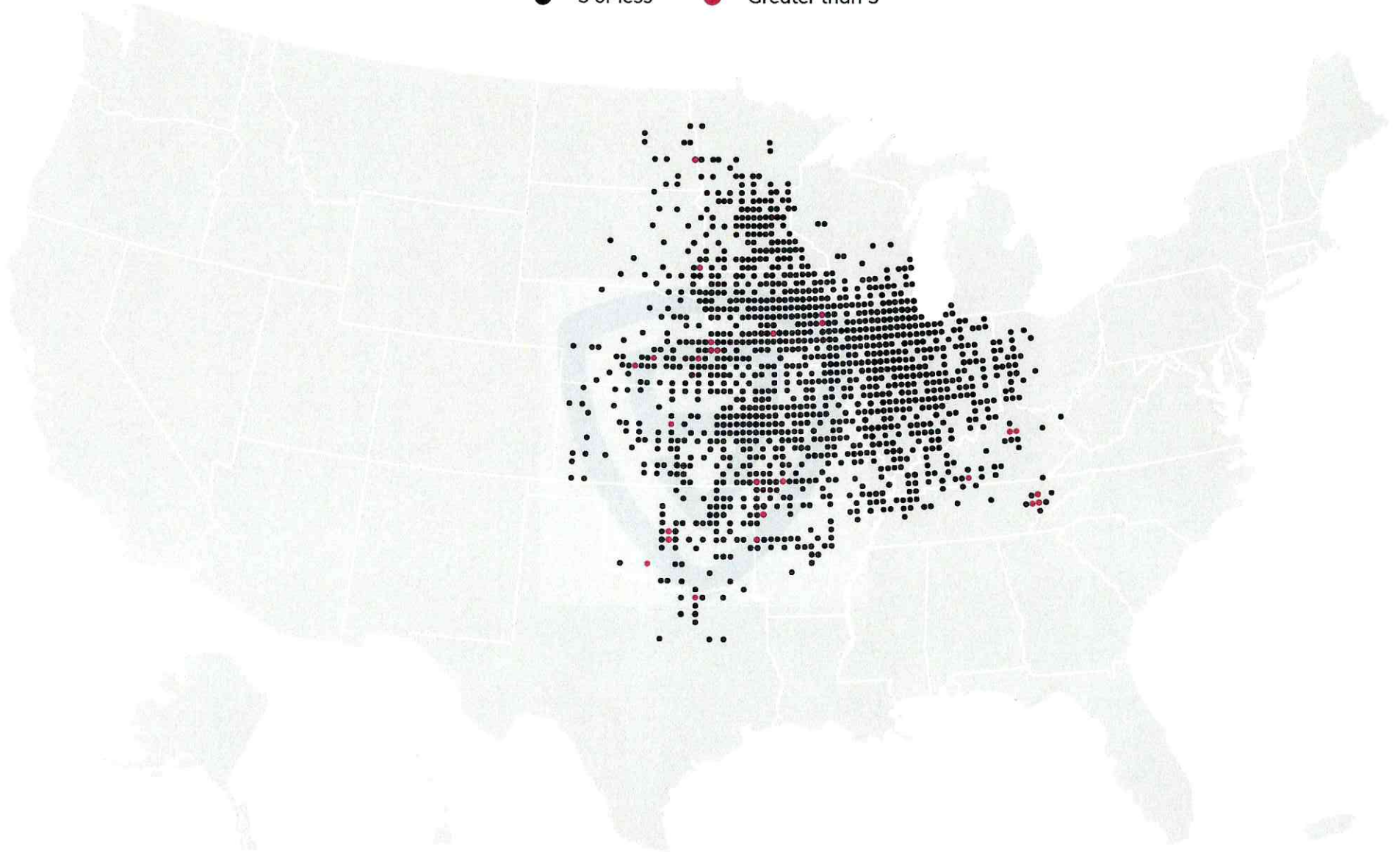
- Provisions were added to define electronic smoking devices and alternative nicotine products, while prohibiting sales to minors and requiring child resistant packaging for liquid nicotine products.

2013 Session

- Provisions were added to define a cigarette-making machine and to establish conditions on its ownership, operation, and use.



● 5 or less ● Greater than 5



Casey's store locations in the USA

Each grid point covers 10-mile radius with at least one location

Source: ScrapeHero.com



Top 10 States and Territories with the most Caseys stores

Iowa

560 (21%)

A store for every 5,634 people, in Iowa with about 21% of the total number of Caseys stores

Illinois

520 (19%)

A store for every 24,369 people, in Illinois with about 19% of the total number of Caseys stores

Missouri

359 (13%)

A store for every 17,095 people, in Missouri with about 13% of the total number of Caseys stores

State / Territory	Number of stores	Population
Iowa	560 (21%)	3.15M
Illinois	520 (19%)	12.67M
Missouri	359 (13%)	6.14M
Kansas	193 (7%)	2.91M
Minnesota	187 (7%)	5.64M
Nebraska	181 (7%)	1.93M
Indiana	143 (5%)	6.73M
Oklahoma	137 (5%)	3.96M
Arkansas	92 (3%)	3.02M
Kentucky	77 (3%)	4.47M

There are Caseys stores in 17 states and territories in the United States