



American Cancer Society
Cancer Action Network
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North Dakota House Finance and Taxation
HB 1403
Testimony of Sara Mannetter, ACS CAN

Good Morning Chair and Committee members. My name is Sara Mannetter and I am the Managing Director of Government Relations for the American Cancer Society Cancer Action Network.

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. At this critical moment with focus on protecting respiratory health, we must do everything in our power to keep our communities healthy and safe. We would like to go on record as supporting the \$1.10 cigarette tax increase in House Bill 1403.

Significantly increasing tobacco taxes saves lives, reduces health care costs and generates revenue. In fact, it is one of the most effective ways to prevent youth from starting to use tobacco and encourage those already addicted to quit.

In 2021, it is estimated that approximately 4,200 North Dakota residents will be diagnosed with cancer while 1,210 will die from the disease.ⁱ And a recent analysis from the American Cancer Society estimates 26.4% of cancer deaths in North Dakota were attributable to smoking in 2017.ⁱⁱ

Here in North Dakota 17% of adults smoke and 35.5% of high school students use tobacco products.ⁱⁱⁱ Smoking harms nearly every organ in the body and increases the risk for many types of cancer, heart attack, stroke, COPD, emphysema, chronic bronchitis, and other diseases.^{iv} People who smoke or who used to smoke are at increased risk for severe illness from COVID-19. Smoking is also a proven risk factor for cancer, chronic obstructive pulmonary disease (COPD) and heart disease, which also put people at increased risk for severe illness from COVID-19. Regardless of any association with COVID-19, the adverse health effects of smoking are well-documented and irrefutable.

While the health costs of tobacco are high, this deadly product also costs the U.S. economy billions of dollars in preventable health care expenditures and lost worker productivity. Smoking is estimated to cost North Dakota \$326m in direct health care costs annually, including \$56.9m in Medicaid costs.^v Additionally, North Dakota experiences \$232.6m in productivity losses due to smoking each year.^{vi} Significantly increasing tobacco taxes is a proven strategy for generating revenue while saving lives and health care dollars.

A \$1.10 per pack increase in North Dakota's cigarette tax would prevent 1,700 kids from becoming adults who smoke, help 3,100 adults who smoke quit, and save 1,200 lives. Additionally, this cigarette tax increase would save North Dakota \$102.57 million in long term health care costs and generate \$32.65 million in new annual revenue.

Increasing the tax on all other tobacco products at the same time would produce additional health and economic benefits for North Dakota.

It is important that all other tobacco products, including e-cigarettes, are taxed at 30% of wholesale to parallel the new cigarette tax rate in order to encourage people who use tobacco to quit rather than switching to lower-taxed, lower-cost products. If all tobacco products are not taxed at an equivalent rate, North Dakota can expect to see diminished positive outcomes for both revenue and public health. Currently in North Dakota e-cigarettes are not included in tobacco excise taxes, chewing tobacco is only taxed at 16 cents per ounce, and snuff is taxed at 60 cents per ounce, while smoking tobacco and cigars taxed at 28% of wholesale. Taxing all of these products at 30% of wholesale would provide a parallel rate to the cigarette tax increase. We should not allow such highly addictive products to avoid being taxed at the same rate as cigarettes.

In closing, thank you for tackling this issue and we recommend that you support the \$1.10 cigarette increase in HB 1403.

ⁱ American Cancer Society. Cancer Facts and Figures 2021. Atlanta: American Cancer Society; 2021.

ⁱⁱ American Cancer Society Cancer Action Network. [State-Specific Smoking-Related Cancer Cases and Deaths, 2017](#). December 2020.

ⁱⁱⁱ Adult smoking rate data from the 2019 Behavioral Risk Factor Surveillance System (BRFSS) available online: <https://www.cdc.gov/brfss/brfssprevalence/index.html>. Youth tobacco use data from 2019 YRBS available online: <https://www.cdc.gov/healthyyouth/data/yrbs/results.htm>

^{iv} 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/

^v Campaign for Tobacco-Free Kids. The Toll of Tobacco in North Dakota. Updated October 20, 2020.

^{vi} Campaign for Tobacco-Free Kids. The Toll of Tobacco in North Dakota. Updated October 20, 2020.