



Testimony in Support of HB 1403

House Finance and Taxation Committee

Chairman Headland and Members of the House Finance and Taxation Committee, my name is Mike Krumwiede appearing on behalf of the American Heart Association in support of House Bill 1403. AHA is a nonpartisan, not for profit organization whose mission is to reduce death and disability from heart disease and stroke. That is the guiding vision of everything we do. So why do we get involved in tax policy, because it will help save lives by keeping children from using tobacco and reducing tobacco use among adults.

Smoking is the leading cause of preventable death. Worldwide, tobacco use causes nearly 6 million deaths per year. Smoking kills more people than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined. Smoking increases the chance of Coronary Heart Disease and Stroke by 200-400%

It's long been proven that increasing the price of tobacco products is one of the most effective ways to keep youth from starting tobacco use and prompting users to quit tobacco.

In order to have the greatest positive impact on public health, a tax increase needs to be significant. Tobacco companies often support small tax increases knowing that those increases can be easily absorbed through discounts or coupons. These strategies lessen the impact of tobacco taxes on consumers, as well as diminish the benefit to public health. If the tax is significant it will produce new revenue for the state. This will occur despite significant declines in smoking rates and taxed pack sales, because the increased tax per pack brings in much more new revenue than is lost by the declines in the number of taxed packs. For instance, in Oklahoma, one year after a \$1 per pack tax was adopted, cigarette purchases had dropped by 25%, and revenues from the new tax have increased by over \$130 million.

Because HB 1403 increases the tax by \$1.10 per pack it will be a significant enough increase to benefit the state financially while simultaneously have a positive impact on public health. For these reasons we Support HB 1403 and encourage a DO PASS recommendation.