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March 6, 2003

To the Members of the Taxation Committee,

Re: Increasing the excise tax on tobacco

On behalf of the American Cancer Society and our 6,000 state wide volunteers, we urge you to vote to support a tobacco excise tax increase.

Governor Guinn has proposed a .70 increase for each pack of cigarettes sold in our state. A few of the benefits from a .70 tobacco tax increase would be:

- \$ 90.2 million new tobacco tax revenues each year
- \$ 1 million in new sales tax revenue each year
- 26,000 fewer youth smokers in Nevada, saving 8,000 kids for a premature death from tobacco related diseases
- 17,000 fewer adult smokers, saving 3,700 from smoking related deaths

The annual health care expenditures in the state of Nevada directly related to tobacco are estimated at \$440 million per year. Tobacco use costs us \$96 million in state Medicaid programs alone. In 2001, Nevada generated \$61.2 million in tobacco excise taxes. That is \$34.8 million less than what the state spent just on tobacco related Medicaid program payments.

Increasing the state tobacco excise tax is common sense, and voters overwhelming support this tax increase. We urge you to take a stand for the health of Nevadans, and especially our youth. Please vote to support a tobacco excise tax increase.

Sincerely,

Buffy Gail Martin

Buffy Gail Martin
Government Relations Director