



Action:

To increase Iowa's excise tax on cigarettes by \$1.00 per pack and increase the tax on other tobacco products by a percent consistent with the increase of the tax on cigarettes.

Goals:

- Improve the health of Iowans by decreasing the number of tobacco users and the incidence of tobacco related death and disease;
- Reduce tobacco use by Iowa's youth and strengthen the state tobacco use prevention and control program;
- To create additional revenue to support health care programs and services.

Current Situation:

- Current State Cigarette Tax: **36 cents per pack** (42nd among all states)
- Last Iowa Cigarette Tax Increase: **06/01/91**
- Smoking-caused costs in state per taxed pack sold: **\$8.04**
- Average retail price per pack: **\$3.54**
- Total state Medicaid program smoking costs each year: **\$301 million**
- State cigarette tax revenue each year: **\$86.9 million** (2004)
- High school students in Iowa who smoke: **20%**
- Adults in Iowa who smoke: **20%**

Projected Benefits from a \$1 Cigarette Tax Increase in Iowa:

- New state cigarette tax revenues each year: **\$150.1 million**
- Pack sales decline in state: - **71.7 million**
- Percent decrease in youth smoking: **19%**
- Increase in total number of kids alive today who will not become smokers: **38,600**
- Number of current adult smokers in the state who would quit: **20,200**
- Number of smoking affected births avoided over next five years: **6,300**
- Number of current adult smokers saved from smoking-caused death: **5,300**
- Number of kids alive today saved from premature smoking-caused death: **12,300**
- 5-year healthcare savings from fewer smoking-affected pregnancies & births: **\$10.8 million**
- 5-year healthcare savings from fewer smoking-caused heart attacks & strokes: **\$9 million**
- Long-term healthcare savings in state from adult & youth smoking declines: **\$867.4 million**

Sources: Campaign for Tobacco Free Kids. Toll of Tobacco in Iowa; Iowa Department of Public Health. Iowa Youth Tobacco Survey 2004; Iowa Department of Public Health. Iowa 2004 Adult Tobacco Survey; Campaign for Tobacco-Free Kids. Iowa Cigarette Tax Increases, Estimated New Revenues, Cost Savings and Other Benefits and Effects. October 9, 2006.