



Iowa's Tobacco Toll

- Annual smoking-attributable mortality in Iowa: **4,626**
- Kids now under 18 and alive in Iowa projected to die prematurely from smoking: **80,319**
- Annual health care costs in Iowa directly caused by smoking: **\$794 million**
 - Portion covered by the state Medicaid program: **\$235 million**
- Residents' state & federal tax burden from smoking-caused government expenditures: **\$503 per household**
- Smoking-caused productivity losses in Iowa: **\$824 million**



1.00 dollar increase

- Current adult smokers in the state who would quit---16,200
- Number of smoking-affected births avoided over next five years---5,100
- Children alive today saved from later premature smoking-caused death—4,200



Smokers will go across state line to purchase tobacco

- 0.7% (2001) of total sales was border crossing.
- Gas prices have increased
- Access and availability



Regressive Tax

- Poor, who smoke more than the rich will pay a higher percentage of their income in taxes than do rich.



Response to increases in tax-

- Some will quit—progressive, as they will have more disposal income
- Other will cut back- neutral tax- spent the same for less
- Continue to smoke at the same level- regressive



Behavioral effect

- Iowa data indicates 70% of smoker wish to quit
- Increase price will encourage smoker to quit by shifting the “pleasure” of smoking to be less than the “price” they have to pay- or what they have to give up to continue to smoke