



February 23, 2023

TO: The Honorable Jim Guthrie, Chair
The Honorable Treg Bernt, Vice Chair
Members of the Senate State Affairs Committee
Idaho State Senate
PO BOX 83720
Boise, Idaho 83720-0081

FROM: Randy Johnson Government Relations Director – Idaho and Nevada
American Cancer Society Cancer Action Network, Inc.
5502 W Anna St
Boise, Idaho 83705
Randy.johnson@cancer.org
(208) 869.3902 (cell)

SUBJECT: SB 1108 Tobacco Tax—Cigars

POSITION: OPPOSE

The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation's leading advocate for public policies that are helping to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government. We are focused on the needs of patients and ensuring that people have access to the care they need to prevent, detect and fight cancer and to maximize the quality of their lives.

ACS CAN advocates for public policies that reduce the death and suffering from cancer including policies targeted at reducing tobacco use and exposure to secondhand smoke. Therefore, ACS CAN **OPPOSES** SB 1108 which seeks to reduce taxation on premium cigars.

Regulation of cigars is part of ACS CAN's comprehensive approach to reducing tobacco use and exposure to secondhand smoke in the United States. Like all other tobacco products, cigars should be subject to taxation as well as manufacturing and marketing rules to reduce the deadly and costly burden of tobacco use. All cigars, regardless of size, must be taxed at rates equivalent to cigarettes to encourage people to quit rather than switch to a cheaper product as well as to prevent youth from starting to use any tobacco product.

Attachment 5

Cigar smoking is a public health concern as it harms health. Cigar smoke is composed of the same toxic and carcinogenic constituents found in cigarette smoke. Each year, about 9,000 Americans die prematurely from regular cigar use.¹Cigar use increases health risks compared to those who do not use tobacco at all. Cigar smoking causes cancer of the oral cavity, larynx, esophagus and lung. Daily cigar smokers have an increased risk of heart disease and chronic obstructive pulmonary disease (COPD). Cigar smokers are also at increased risk for an aortic aneurysm.²

Young people are using cigars. In Idaho, cigar smoking among some populations is even more popular than cigarette smoking. According to the Campaign for Tobacco Free Kids, 32.4 percent of Idaho youth use some form of tobacco, including: 21.5 currently use electronic smoking devices, 5.6 percent currently use smoke cigars and 5.3 percent smoke cigarettes.³ As evidenced by this data, cigar smoking is the second most common form of tobacco use among youth in Idaho.

We know that increasing the price of tobacco taxes through tax increases are one of the most effective ways to reduce smoking. Reducing or eliminating any tax on tobacco makes them more appealing to price-sensitive consumers, including youth. Cigars, cigarillos and little cigars may be sold as individual sticks, which can again, make them more appealing to youth. While, many cigar manufacturers regularly manipulate their products to evade taxation and other tobacco control regulations.

Smoking has a monetary cost placed on the State of Idaho. The annual health care costs to Idaho directly caused by smoking is \$5.9 million dollars.⁴ Medicaid costs caused by smoking in Idaho is \$108 million.⁵ Residents' state and federal tax burden from smoking-caused government expenditures is \$793 per household.⁶ While the smoking-caused productivity losses in Idaho are \$1.1 billion.⁷ These amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, smokeless tobacco use, or cigar and pipe smoking.

Therefore, given the arguments and evidenced-based data referenced above, ACS CAN **OPPOSES SB 1108**. Instead of reducing taxes on cigars, the State should be raising taxes on all tobacco products including premium cigars.

¹ Nonnemaker, J, et al., "Mortality and Economic Costs from Regular Cigar use in the United States, 2010," American Journal of Public Health 104(9):e-86-91, September 2014.

² NCI, *Cigars: Health Effects and Trends*, 1998.

³ Campaign for Tobacco-Free Kids. The Toll of Tobacco in Idaho. Updated February 17 2023. <https://www.tobaccofreekids.org/problem/toll-us/idaho>

⁴ Campaign for Tobacco-Free Kids. The Toll of Tobacco In Idaho. Updated February 17 2023. <https://www.tobaccofreekids.org/problem/toll-us/idaho>

⁵ Campaign for Tobacco-Free Kids. The Toll of Tobacco in Idaho. Updated February 17 2023. <https://www.tobaccofreekids.org/problem/toll-us/idaho>

⁶ Campaign for Tobacco-Free Kids. The Toll of Tobacco In Idaho. Updated February 17 2023. <https://www.tobaccofreekids.org/problem/toll-us/idaho>

⁷ Campaign for Tobacco-Free Kids. The Toll of Tobacco in Idaho. Updated February 17 2023. <https://www.tobaccofreekids.org/problem/toll-us/idaho>

Joyce Brewer

From: Heather Kimmel <Heather.Kimmel@lung.org>
Sent: Thursday, February 23, 2023 4:55 PM
To: Joyce Brewer
Subject: Written Testimony in Opposition to S 1108
Attachments: AmericanLungAssociationComments_SB1108.pdf

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Good Afternoon Ms. Brewer,

I am writing to submit written testimony in opposition to Senate Bill 1108. Thank you for the opportunity to submit comments on behalf of the American Lung Association.

With best wishes,
Heather

Heather E. Kimmel
Division Director | Health Promotions | Western
American Lung Association
P.O. Box 1637 | Boise, ID 83701
(208) 345-2216
Lung Helpline: 1-800-LUNGUSA
Lung.org | heather.kimmel@lung.org
Pronouns: She/Her/Hers



Re: Opposition to S 1108

Dear Chairman Guthrie and Members of the Senate State Affairs Committee,

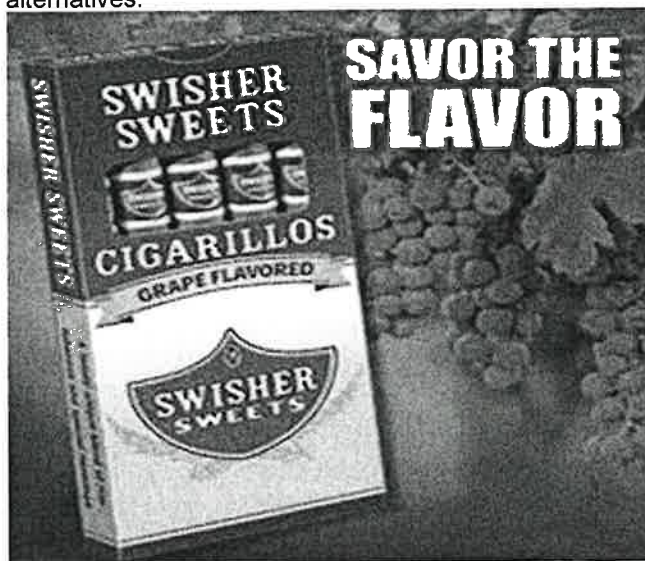
Thank you for the opportunity to provide comments on Senate Bill 1108 to limit the tax on a cigar to a maximum of \$0.50. The American Lung Association strongly opposes this bill.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease. The American Lung Association's work is focused on four strategic imperatives: to defeat lung cancer; to champion clean air for all; to reduce the burden of lung disease on individuals and their families; and to create a tobacco free future.

Senate Bill 1108 would exempt all cigars from the current tax rate of 35% of the wholesale sales price of other non-cigarette tobacco products and limit the total combined tax on cigars to not more than \$0.50 per cigar. The Lung Association is concerned as the proposed language is decreasing the current tax rate, making cigars, including the already inexpensive little cigars that look almost exactly like cigarettes more accessible and decreasing revenue that is invested in tobacco cessation and prevention efforts in our state.

Tobacco use remains the leading cause of preventable death in the U.S., killing an estimated 480,000 Americans each year.¹ Research is clear that the most effective way to reduce smoking rates is to increase taxes on these products and invest those funds in tobacco control programs including prevention and cessation.

The Lung Association supports policies that increase tobacco taxes on all tobacco products as part of a comprehensive tobacco control program and as an effective strategy to decrease smoking rates. The Lung Association believes that all tobacco products should be treated equally and tied to the tax rates on cigarettes. Senate Bill 1108 is proposing a decreased tax rate for a certain type of tobacco product, cigars. However, cigars carry many of the same health risks with their use. In fact, the amount of tobacco in a large premium cigar in many cases equals the amount of tobacco in an entire pack of cigarettes. We are also concerned this bill will increase youth use of flavored little cigars—products that look like cigarettes, come in an array of fruit flavors, and are commonly sold in small packages for approximately \$1—by reducing their prices even lower. The Lung Association is concerned that lowering tax rates on cigars will encourage youth to turn to these lower-priced alternatives.



Finally, taxes on all tobacco products result in fewer kids starting to smoke, and in more adults quitting while at the same time providing substantial revenue to fund important health and tobacco prevention programs. Every 10% increase in the price of cigarettes reduces consumption by about 4% among adults and about seven percent among youth. Tobacco prevention and control requires a multi-faceted approach and policy measures must be comprehensive and address all products to be effective.

Thank you for the opportunity to provide comments and express our concerns with Senate Bill 1108. We ask that you continue Idaho's commitment to a healthier community and vote against Senate Bill 1108 which would take a step backwards in the fight to curb tobacco use in Idaho.

Sincerely,



Heather Kimmel
Division Director, Health Promotions, West



February 23, 2023

Chairman Guthrie and Members of the Senate State Affairs Committee:

On behalf of the Premium Cigar Association and our retail members in Idaho, we are pleased to offer our support for S.B. 1108. This legislation calls for a .50 tax cap on cigars. This legislation will enhance the competitive position of these small businesses, by creating a fairer playing field, especially in light of state tax policy in the region.

Within the region, the states of Washington and Oregon have long-standing cigar tax caps; Montana and Wyoming have pending tax cap legislation; and Nevada has a tax cap bill currently being planned for legislative draft. The current Other Tobacco Product tax in Idaho is higher than Wyoming and Nevada. S.B. 1108 is a path to tax fairness for these local Idaho small businesses.

This is not a question with public health implications. All objective national studies substantiate that premium cigars do not have any statistically relevant adverse public health impact, especially in the area of inhalation, addiction and mortality. Studies have also substantiated that premium cigars are not attractive to youth, hence youth access is not a factor.

Thirteen states have enacted a large cigar tax cap and there is pending legislation in 2023 in another nine states, depicting how this has become an accepted practice to offer tax fairness for the local small business owner, and their patrons, alike.

Your consideration and support for S.B. 1108 would be appreciated, and please notify us if we can be of further assistance.

Sincerely,
Glynn Loope
Director of State Advocacy
Premium Cigar Association
Glynn@premiumcigars.org