

MAR 04 1997

Higher cigarette tax is a health measure

A Feb. 6 Honolulu Advertiser editorial questions whether the Cayetano administration's proposed cigarette tax increase is a health measure or a means to generate revenue for the state.

The administration has stated on several occasions that the tax is, first and foremost, a health measure. There will be a small revenue increase resulting from the tax, but the more important impact will be to discourage smoking and improve the health of Hawaii residents.

Of particular concern to the governor is the health of the state's young people. Tobacco companies have been aggressively targeting teenagers in

their efforts to keep business profitable in Hawaii. And their efforts are paying off. While rates of adult smoking have dropped steadily in the past several years, teenage rates have risen sharply.

Because persons who start smoking in their teens are most likely to become lifetime smokers, the state faces a serious health crisis if present trends continue. Steps must be taken to prevent this; raising the cigarette tax is an important part of these efforts.

The health benefits of an increase in the cigarette tax are clear. States that have implemented a higher tax have immediately seen a decrease in

smoking, especially in young people. Studies show that a 10 percent increase in the price of cigarettes results in a 4 percent decrease in consumption.

Because children are much more price-sensitive than adults, a tax increase has an even greater affect on young smokers, and discourages those children who are considering taking up the habit.

The revenue-generating benefits of an increase are less striking. The present Hawaii cigarette tax is 60 cents a pack and generates about \$36 million for the state annually. We project a 40-cent increase would generate \$3 million to \$5 million in additional revenue. This

is significantly lower than the \$24 million that would be expected if the tax increase had no impact on cigarette consumption and illustrates the limited value of a cigarette tax increase as a revenue-generating measure.

Of greater value to the state — both socially and financially — are the lives and costs saved by having fewer individuals smoking. It is estimated that the negative effects of smoking cost the state over \$328 million in 1995. No figure can be placed on the suffering of those who have become ill and have died from smoking.

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