

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Edward J. Kasemeyer, Chairman  
Members, Senate Budget & Taxation Committee  
The Honorable Jennie Forehand

FROM: Gene M. Ransom  
Executive Director

DATE: March 7, 2012

RE: **SUPPORT** – Senate Bill 526 – *Tobacco Tax – Healthy Maryland Initiative*

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The Maryland State Medical Society (MedChi), which represents over 7,600 Maryland physicians and their patients, supports Senate Bill 526.

There is conclusive evidence to support the assertion that increasing the tax on tobacco is directly attributable to a decrease in consumption. Since 1999, Maryland has gradually raised its tax on cigarettes to the current \$2 per pack, and the results have been striking. State officials say tax increases have helped drive down smoking in Maryland by 32 percent in the past decade. However, while Maryland has aggressively sought to curb cigarette smoking, it has failed to address what are known as “other tobacco products” (OTP) such as cigars, snuff, and chewing tobacco which remain taxed at 1999 tax rates. Senate Bill 526 not only further increases the tax on cigarettes to \$3 per pack but also increases the tax on OTP thereby ending the preferential treatment of these harmful products.

While cigarette sales have plummeted with increasing taxes, the sales of the relatively inexpensive roll your-own tobacco, snuff and cigars have sky-rocketed. The growth in popularity of OTP is particularly pronounced in young people. The proposed tax increase – from 15% applied at the wholesale level to 70% applied at the wholesale level – will erase much of the inequity and raise more than \$18 million in revenue which is then dedicated to tobacco use prevention and cessation and other health care purposes. It is a win for public health, our youth and for the State. Further, the increase in the cigarette tax will continue to cause a decrease in smoking and also additional revenue for increased efforts to curb tobacco use.

There is no legitimate argument that can be advanced to justify the special treatment that has been afforded OTP. It has been proven that all forms of tobacco are considered harmful

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to human health no matter whether they are smoked, puffed, chewed or otherwise ingested. According to the National Cancer Institute, cigar smoke contains higher concentrations of tar and cancer-causing nitrosamines than does smoke from cigarettes and smokeless tobacco is often linked to oral and esophageal cancer

The American Lung Association reports that tobacco is linked to an estimated 6,861 deaths in Maryland each year and costs the state an estimated \$3.6 billion in health care costs and lost productivity. Raising the price of tobacco has proven to be an effective way to steer people from picking up the habit. Raising OTP and cigarette taxes will reduce tobacco use and reverse a decade-long trend of underage smokers turning to relatively cheap cigars and chewing tobacco rather than more expensive cigarettes. It is both smart public health policy and fiscal policy. Furthermore, the commitment of the revenues to the health care purposes outlined in the bill is consistent with the objectives of the tax. MedChi strongly urges support for Senate Bill 526.

**For more information call:**

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