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

FROM: Gene M. Ransom
Executive Director

DATE: March 7, 2012

RE: **SUPPORT** – Senate Bill 631 – *Tobacco Tax – Maryland Tobacco-Free Kids Initiative*

The Maryland State Medical Society (MedChi), which represents over 7,600 Maryland physicians and their patients, supports Senate Bill 631.

Senate Bill 631 proposes to increase the tax on “other tobacco products. 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. Passage of Senate Bill 631 will end 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 reflected in Senate Bill 631 will erase much of the inequity between OTP and cigarettes and raise significant revenues for the State.

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 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

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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 the OTP tax 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. MedChi urges support for Senate Bill 631.

For more information call:
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