



Vote NO on HB 196

HB 196 – Tobacco Tax Revisions

- **Tobacco tax increases will not balance Utah’s budget.** As the table below shows, Utah’s tobacco tax revenues DECREASED after the federal government increased the tobacco tax in April 2009.

**Tobacco Tax Revenues, July through December 2009
compared with July through December 2008**

	2009	2008	Change	% Change
Cigarette Licenses & Fees	\$5,888	\$6,161	(\$272)	-4.4%
Cigarette Taxes	\$23,200,718	\$28,548,159	(\$5,347,441)	-18.7%
Tobacco Products Tax	\$4,996,865	\$5,750,412	(\$753,547)	-13.1%
Cigarette Tax Tobacco Prevention - Rstrctd	\$4,609,225	\$4,593,030	\$16,195	0.4%
Total	\$28,445,007	\$34,479,609	(\$6,085,066)	-15.6%

Source: Calculations by the Utah Taxpayers Association using data from the Utah State Tax Commission’s Revenue Summary for the first seven months of FY 2010

- **Other states have raised their tobacco tax, and seen their tobacco tax revenues DECLINE.**
 - In 2007, New Jersey raised their tobacco tax by 17.5 cents, and had its tobacco tax revenue go down by \$22 million.
 - Arkansas raised the tobacco tax in 2009, and is anticipating a \$10.3 million drop for FY 2010.
 - Mississippi raised the cigarette tax last May, and is now projecting a decrease in \$4.7 million in tobacco tax revenues.
- **Utah should not turn its tax policy over to other states.** HB 196 includes an automatic escalator clause, which increases Utah’s tobacco tax any time another state increases its tobacco tax. Utah is the best managed state in the nation; we shouldn’t subject the citizens of Utah to the poor tax policies of California, New York, etc.
- **Who opposes HB 196?**
 - Utah Taxpayers Association
 - Utah Food Industry Association
 - Utah Petroleum Marketers & Retailers Association

