



MISSED OPPORTUNITIES:

WHAT IF NEW YORK CITY HAD INCREASED ITS CIGARETTE TAX RATE AT THE SAME TIME AS NEW YORK STATE?

Fifty years after the first Surgeon General's report on smoking and health, the 2014 Surgeon General's Report, *The Health Consequences of Smoking—50 Years of Progress*,¹ shows that cigarette smoking is still a serious but preventable health problem in the United States. Noting that the "current rate of progress in tobacco control is not fast enough. More needs to be done," the Surgeon General's report calls for a number of specific actions, including:

"Raising the average excise cigarette taxes to prevent youth from starting smoking and encouraging smokers to quit."²

New York State increased its cigarette tax by \$1.25 per pack in 2008 and by another \$1.60 per pack in 2010. Cigarettes sold within New York City are subject to a tax of \$1.50 per pack in addition to the state's cigarette tax. Combined with the other meaningful tobacco control policies passed at the state and city level, those significant tax increases have contributed to today's all-time low smoking rates among youth and adult smoking in New York City.

The 2014 Surgeon General's report states, "[e]vidence shows that large tax and, hence, price increases will decrease tobacco use each time they are implemented."³ Indeed, if New York City had increased its cigarette tax rate by the same amount as the state in 2008 and in 2010, then today, on top of all of the progress the city has already made with its smoking rates, it is estimated that there would be:

- 50,000 fewer adult smokers,
- at least 50,000 more kids who would not become adult smokers, and
- an additional 30,000 more lives would be saved from premature, smoking-caused deaths.

Because of those reductions in smoking, the city would have realized more than \$1 billion in long-term health care cost savings.

The evidence shows that significant tobacco tax increases will reduce tobacco use, even when implemented repeatedly. Despite the missed opportunities to enjoy substantial public health benefits from 2008 and 2010, New York City can still generate future public health benefits by passing another significant tobacco tax increase sooner rather than later.

Explanations: These calculations assume that NYC increased its own city cigarette tax rate simultaneously to the state's two increases, essentially doubling the increase in cigarette pack price in the city. However, the projections shown here only represent the additional public health benefits from the city's theoretical increase and thus are on top of those benefits gained from the state's increases, which also increased the prices (and impacted smoking) in NYC. The number of kids who would not become adult smokers is accrued over an 18 year period from when the tax would have gone into effect. The lives saved and projected long-term health care cost savings accrue over the lifetimes of youth (under 18 years old) alive in the city today who quit or don't start because of the tax increase and over the lifetimes of current adult smokers who quit because of the tax increase.

Sources: *Tax Burden on Tobacco*, 2013. 2012 Community Health Survey and 2011 YRBS. NYS Department of Taxation & Finance. Chaloupka, FJ, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine & Tobacco Research*, 2000. Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *The Milbank Quarterly* 70(1), 1992. CDC, "Projected Smoking-Related Deaths Among Youth—United States," *MMWR* 45(44):971-974, November 11, 1996. CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs—United States 2000-2004," *MMWR* 57(45):1226-1228, November 14, 2008.

¹ U.S. Department of Health and Human Services (HHS), *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, Atlanta, GA: HHS, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014.

² HHS, 2014, pg. 875.

³ HHS, 2014, pg. 852.