

## **POLICY BRIEF**

### **Proposal to increase Michigan's tobacco tax by 75 cents per pack.**

#### **THE PROBLEM**

- 24% of adults in Michigan smoke cigarettes.
- In Washtenaw County, some groups have much higher smoking rates, such as adults with less than a high school diploma (36.8% smoke).
- 27.6% of high school students smoke in Michigan.

#### **THE EFFECT**

- Tobacco use increases a person's risk of disability and premature death from chronic diseases such as lung cancer, heart disease, high blood pressure, asthma, and throat cancer.
- About 1,800 Michigan residents die each year from exposure to second hand smoke.
- There are over 16,000 tobacco-related deaths in Michigan each year, including 2,500 adults and children who die from the effects of secondhand smoke.
- The average Michigan household pays \$532 each year in federal and state taxes for tobacco-related government expenses, such as medical care costs and lost productivity.

#### **SOLUTIONS**

- Research shows that a 10% increase in cigarette price results in a 4% decline in the quantity of cigarettes bought by adult smokers. Youth are even more likely to reduce their tobacco use when the price is increased.
- With the increase in cigarette price, approximately 30,000 Michigan children would be prevented from dying prematurely from smoking-caused illnesses and 56,000 fewer adults would smoke.
- The tax increase will generate over \$295 million for the state budget. The first \$30 million would go to public health prevention programs and \$265 million would go to Medicaid, which serves as a health care safety net for Michigan's most vulnerable populations – children, the elderly and the disabled.
- Washtenaw County HIP strongly urges that increased revenues from the tax be devoted to public health prevention programs as currently stated.

Sources: Healthy Michigan 2010, Health Status Report, MDCH 2004; Washtenaw County HIP Progress Report 2001; Increasing the Michigan Cigarette Tax: A Win, Win, Win for Michigan, mitobaccotax.org, 2004; Tobacco is Killing Your Constituents (And Costing Everyone) Report, 2004; The Economics of Tobacco: Myths and Realities.

**HIP partner organizations  
in support of this policy  
brief:**

**Chelsea Community  
Hospital**

**Washtenaw County  
Public Health**

**Washtenaw County  
Asthma Coalition**

**Washtenaw County  
Tobacco Reduction  
Coalition**