



## TEXAS TOBACCO CONTROL PARTNERS

September 22, 2020

Texas House of Representatives  
Ways and Means Committee  
P.O. Box 2910  
Austin, TX 78768

Dear Chairman Burrows and fellow members:

As you review the property tax system, the Texas Tobacco Control Partners would like to highlight the importance of tobacco taxes and bring to your attention the positive effects of a tobacco tax increase. Tobacco use remains the single largest cause of preventable death and disease in our state. An estimated 28,000 Texans die from tobacco-related illnesses each year including cancer, heart disease, and respiratory illnesses. There are 498,000 Texas kids alive today who will die prematurely from smoking.

Increasing the price of cigarettes through tax increases is one of the most effective ways to keep youth from starting to use cigarettes, prompt tobacco users to quit, and raise revenue for the Property Tax Relief Fund. Studies have shown that every 10 percent increase in the price of cigarettes is estimated to reduce youth smoking by about 7 percent and overall consumption by about 4 percent.

A \$1.50 per pack tax increase is estimated to prevent nearly 81,600 Texas kids from starting smoking, prompt nearly as many adults to quit and prevent approximately 60,000 tobacco-related deaths. Additionally, the public health impact will be even greater if the revenue is used for health related programs.

Tobacco also takes a tremendous toll on state taxpayers in terms of the economic burden of tobacco-related health care costs. Texas spends an estimated \$8.85 billion in annual health care costs directly caused by smoking – approximately \$1.96 billion of that is covered by the state Medicaid program – and incurs \$8.2 billion in lost productivity due to tobacco-related illness. These costs are borne by taxpayers, employers and families regardless of whether they use tobacco products. **A \$1.50 per pack tax increase is projected to raise \$624.34 million in annual new state revenue, all of which would go towards property tax relief under current law** (see attached for more information).

Higher cigarette taxes are a win-win-win for states; a health win that reduces smoking and saves lives; a fiscal win as it raises much needed revenue; and a political win that is popular with the public. The Texas Tobacco Control Partners ask that you consider an increase in the tobacco tax as you study and consider possible methods of providing property tax



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relief, including potential sources of revenue that may be used to reduce or eliminate school district maintenance and operations property tax rates.

Sincerely,

Texas Tobacco Control Partners

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*American Cancer Society Cancer Action Network*

*American Heart Association*

*American Lung Association in Texas*

*Campaign for Tobacco Free Kids*

*Texas PTA*

*Texas Association of Family Physicians*

*The Cooper Institute*

*Texas Medical Association*

*Texas Public Health Coalition*

*Texas Pediatric Society*

*University of Texas MD Anderson (resource)*