



**Coalition for a  
Healthy Oregon**

MEASURE: HB 4129  
 EXHIBIT: Y  
 HOUSE REVENUE COMMITTEE  
 DATE: 2-11-14 PAGES: 1  
 SUBMITTED BY: J. Bellock

**The Coalition for a Healthy Oregon (COHO) supports raising Oregon’s cigarette tax from \$1.31 to \$2.81 (HB 4129)**

The State of Oregon taxes cigarettes and other nicotine products at lower rates than many other western states; in fact, Oregon is well below the west coast average of \$1.85 per pack. Smokers in Washington, who pay a cigarette tax of \$3.03 per pack in addition to state and local sales taxes (approximately 9 percent on average), are more likely to travel to Oregon in order to purchase nicotine products due to the lower tax rate. Increasing Oregon’s cigarette tax would create a level playing field with neighboring states while encouraging a healthier lifestyle. HB 4129 would increase Oregon’s cigarette tax to \$2.81, still lower than Washington.

STATE	CIGARETTE TAX RATE	Average Sales Tax
Oregon	\$1.18	0%
Washington	\$3.03	9%
Hawaii	\$2.60	4%
Arizona	\$2.00	8%
Montana	\$1.70	0%
California	\$0.87	10%
Nevada	\$0.80	8%

*Graph from July 2013*

**Let’s discourage children from smoking**

- Increasing Oregon’s cigarette tax would deter children and young adults from starting in the first place, strengthening community health and reducing health care costs.
- Historically, the rate of cigarette consumption for children and young adults has declined as cigarette taxes have increased.

**Let’s work together to improve community health**

- Coordinated Care Organizations (CCOs) are innovating programs to combat nicotine consumption. For example, Trillium CCO is working collaboratively with local stakeholders, such as school districts, to educate children on the negative impacts of nicotine use. However, financial ability of CCOs to expand these programs for optimal impact is limited.
- The costs smoking-related illnesses are shouldered by the Oregon Health Plan and therefore all taxpayers. Increasing Oregon’s cigarette tax would incentivize smoking cessation and provide additional dollars to CCOs as they work to encourage healthier lifestyles for the state’s Medicaid population.
- Increasing the cigarette tax to \$2.81 would increase state revenues by more than \$130 million. HB 4129 would appropriate at least 15 percent of new revenues to CCOs to be used for the delivery of mental health services and treatment for substance use disorders.

**COHO urges a YES vote on HB 4129**

*For more information, contact the Coalition for a Healthy Oregon at (503) 685-9400*