



UPSTREAM
PUBLIC HEALTH

April 10, 2019

Dear Chair Nathanson and Members of the House Revenue Committee:

Upstream Public Health wholeheartedly **supports** HB 2270, HB 2158, HB 2159, HB 2169, and HB 2123, all relating to tobacco.

We do not see any downside to HB 2270, but rather we see statewide public health and economic benefits to increasing state tobacco taxes by \$2. This is because:

- There is broad public approval for increasing tobacco taxes.
- Fewer kids will start smoking
- Oregon falls in the lower half of states when it comes to taxing tobacco
- Our taxes are much lower than our neighboring coastal states: Washington (\$3.025) and California (\$2.87)
- State revenue increases with added tobacco taxes and this large increase is important for public health because health benefits are not evident with incremental tobacco tax increases
- Federal taxes on cigarettes last increased in 2009 and do not appear to be a legislative priority in the near future. It is therefore incumbent on the state to take bold action on this matter.
- We would support an amendment to HB 2270 that would include a tax increase to all other tobacco products, not just cigarette packs
- A \$2 tax on tobacco in Oregon will mean 20,000 fewer kids become smokers, 31,000 adults will quit smoking, \$140 million increased revenue for the state in the first year, In the first 5 years a Medicaid savings of over \$15 million, and over time a savings of over \$1 billion
- This increase in tobacco taxes will prevent 14,000 future deaths in the current Oregon population caused by smoking, with former smokers getting an average of 10 years of life back. This could make all the difference in grandkids getting to meet and getting to know their grandparents

Luxury Cigar Tax Cap, HB 2158

- There is broad public support for an increase in tobacco taxes
- Luxury cigars are taxed at a disproportionately lower rate than cigarettes
- Removing a cap on these taxes will give Oregon regulators the chance to align taxes on cigars and cigarettes
- States without cigar tax caps continue sell cigars despite potentially higher taxes
- Removing the cap makes for a more equitable tobacco tax policy, which should be a public health priority
- Higher taxes on other tobacco products have consistently shown to increase state revenue

We support all of the tobacco-related bills being discussed in committee today, including HB 2123, HB 2159, and HB 2169, because state government regulation of tobacco has continuously proven to lower the rates of tobacco use - a huge benefit for the health and quality of life for all Oregonians.

Thank you for this opportunity to present our testimony today.

Warmest regards,

Jill Thompson Hutson
Chair, Board of Directors
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