



North Dakota Tobacco Prevention and Control Executive Committee

Center for Tobacco Prevention and Control Policy
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**Written Report to the North Dakota Legislative Budget Section Meeting, June 19, 2012,
From N.D. Center for Tobacco Prevention and Control Policy, Jeanne Prom, Executive Director**
The 2011 Legislature, pursuant to 2011 House Bill 1025, required the agency provide written reports to the interim budget section detailing information on expenditures for contract services, professional fees and services and grants. This report provides information as of June 13, 2012 and covers progress since the last report to the Budget Section March 13, 2012.

Expenditures to date, 2011-2013

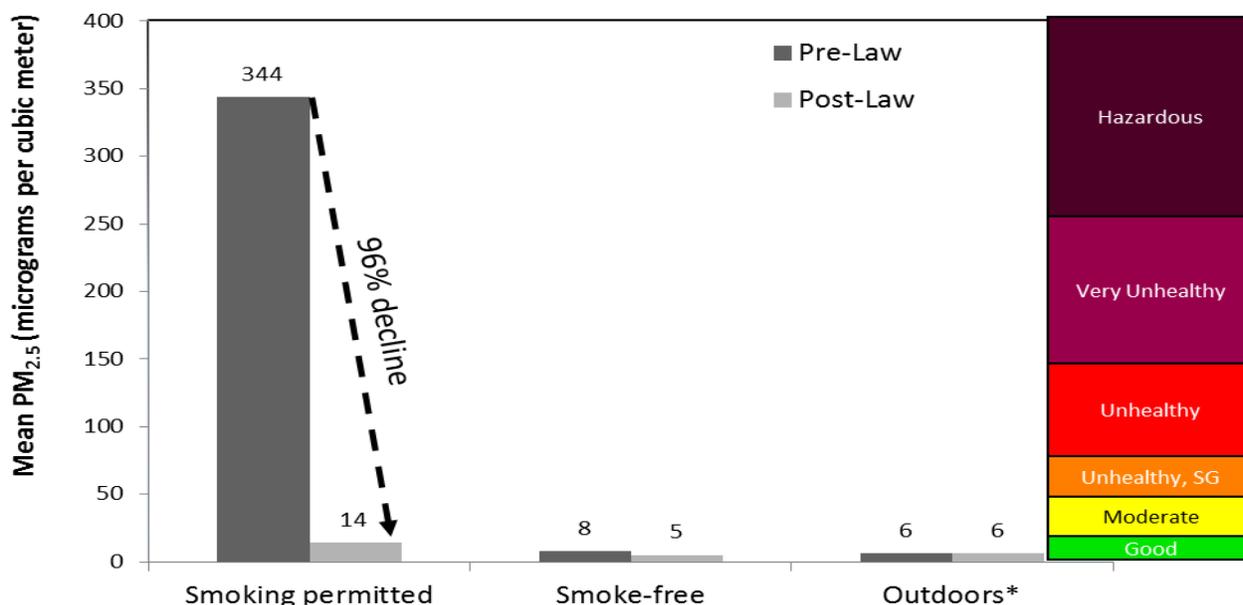
Appropriation for the current biennium: \$12,922,614. As of June 13, 2012: \$4,430,200.79 has been expended, including: grants -- \$3,330,693.67; professional fees -- \$594,407.12; salaries and wages -- \$352,271.04; and other operations -- \$152,828.96. Balance remaining: \$8,492,413.21.

Recent outcomes – comprehensive smoke-free cities

Air in Bismarck bars improved from “hazardous” to “good” after April 2011 ordinance.

- Employees in workplaces allowing smoking before the ordinance were exposed to air pollution 6 times higher than safe annual levels established by the U.S. EPA – and 57 times higher than the level of fine particle air pollution in outdoor air in Bismarck. EPA categorizes this level “hazardous.”
- This fine particle air pollution in bars was reduced by 96% after the smoke-free ordinance. The level is similar to the quality of outdoor air in Bismarck, and is categorized as “good” by EPA.

Figure 1. Effect of Bismarck Smoke-free Air Law on Indoor Air Pollution



- Fine particles (2.5 microns in diameter) in the air of bars were measured before and after the ordinance. Particles of this size are released in significant amounts from burning cigarettes, are easily inhaled deep into the lungs, and are associated with heart and lung disease and death.

Additional recent outcomes – comprehensive smoke-free cities

Cavalier City Council unanimously passed an ordinance, effective July 1, 2012.

- 8th comprehensive smoke-free ordinance passed in North Dakota; all passed since 2008
- Ordinances will protect 37% of North Dakota population.

On June 12, 67% of Linton voters favored an ordinance.

- This was a citizen advisory vote; subsequent action by the city council is necessary.

A public opinion survey of Grand Forks residents shows their support for the August 2010 comprehensive smoke-free city ordinance continues to be strong at 84%.

- In 2011, a majority of respondents who reported visiting places covered by the strengthened smoke-free ordinance over the past year said the new ordinance made their patronage of these businesses -- bars, casinos and truck stops -- "much more enjoyable."

City of Pembina celebrated the first anniversary of its smoke-free ordinance (passed February 1, 2011).

Meeting increasing demands for a comprehensive prevention policy program

- The Center met with local public health units in areas with American Indian reservations, to plan how to continue to collaborate on tobacco use prevention and education efforts for American Indians living on or near the reservations. The Center met with the Department of Health on the comprehensive program and discussed the Center grants to local public health units, which also include reservation areas, and how to work in tandem with tribal tobacco prevention programs funded by the department to best meet the needs of this underserved population.
- The Center met twice with western N.D. local public health units affected by the oil boom and discussed emerging tobacco use issues and how to meet the demands for a more comprehensive prevention policy approach.

K-12 comprehensive tobacco –free school district policies

- Two K-12 school districts adopted a comprehensive tobacco-free campus policy: New Town Public School and District #8 Public School. Upper Missouri District Health Unit reports that these are the first reservation school and first Mountrail County school to implement a tobacco free policy.

Tobacco-free and smoke-free grounds policies

- Local public health units reported the following six new tobacco-free grounds policies (other than K-12 and higher education) in their service areas: Richland County owned or leased property including buildings, vehicles and grounds (unanimously passed by Richland County Commission); Developmental Center (Grafton); Jamestown Regional Medical Center (Jamestown); Division of Vocational Rehabilitation (Dickinson); YMCA Cass and Clay Counties (Fargo/Moorhead); and Sakry Plumbing (Milnor).
- Wells County reported that six new smoke-free grounds policies have been adopted: Westside Park, Soo Line Park, Northside Park, Harvey Swimming Pool, Miniature Golf Course and Harvey Public Beach (all in Harvey).

Tobacco-free policies

- Grand Forks Taxi (Grand Forks), Pepper's Dog Park (Jamestown), Dakota Eye Institute (Bismarck) and Cobblestone Inn (Langdon) also were reported to have adopted tobacco-free policies this quarter.

Smoke-free policies

- The following alcohol establishments were reported by local public health units to have voluntarily adopted a smoke-free policy: Lamplighter Lounge (Minot), Ice Box Bar (Minot), Extra End Bar (Grafton), and Big Willy's Saloon and Grill (Williston).

Policies to Ask, Advise and Refer (AAR) to NDQuits (operated by department of health)

- Presentation Clinic (Rolette) implemented the PHS Guidelines – Ask, Advise and Refer.
- A total of 33 local public health unit staff and 58 medical providers were trained on the Ask, Advise and Refer guidelines to connect tobacco users to the Quitline or QuitNet.

Local coalitions

- Ransom County Public Health, Rolette County Public Health and Southwestern District Health Unit each have a new tobacco coalition.
- Local public health units reported 49 new coalition members this quarter.

See citation at the end of this report for these and all data included in this report.

Grants and Professional Services Contracts and Fees, 2011-2013

The agency has issued and will continue to issue grants and contracts for the 2011-2013 biennium to build on this progress. The Advisory Committee continues to meet every other month to provide guidance on the full implementation of the state plan. The Executive Committee continues to meet at least monthly to provide oversight of the Center.

The Center currently manages three major grant programs (currently 57 grants/year) and multiple professional services contracts (currently 7 contracts/year), as described below and detailed on the attachments.

Tobacco Settlement State Aid Grants to all Local Public Health Units

- \$940,000.00 total for the biennium, \$466,978.00 expended thus far.
- 28 grants, one to each local public health unit (LPHU) using a noncompetitive formula.
- All counties receive funding.
- LPHUs adopted, implemented and evaluated a health unit policy to ask, advise and refer (AAR) tobacco users to the NDQuits. This involved developing and passing the policy, providing training to staff, incorporating the referral process into electronic medical records systems, and conducting an audit of charts to evaluate the policy's implementation in client-based programs.
- All 28 LPHUs now refer clients to the NDQuits.

Local tobacco prevention programming grants to all local public health units

- \$3,262,297.00 total for FY2012, \$2,453,029.55 expended thus far.
- In FY 2012, the Center manages 23 grants/year, one to each LPHU or LPHU collaborative (more than one LPHU cooperating as part of one grant), using noncompetitive formula and requiring an approved CDC Best Practice work plan.
- All counties receive funding.

Special Initiative Grants and other grants to implement CDC Best Practices

- \$740,988.00 awarded or approved and \$410,686.12 expended thus far.
- 6 grants to the following:
 - American Nonsmokers' Rights Foundation to provide training and technical assistance to communities on smoke-free efforts.
 - Minot State University to assist communities statewide on public education efforts on smoke-free and tobacco-free efforts.
 - American Lung Association in North Dakota, and
 - Tobacco Free North Dakota, and
 - Northern Lights Youth Services – 1 grant to each organization to provide education to members and to the public statewide on tobacco use prevention issues.

- City-County Health District for local policy planning and development.
- Only the CDC Best Practice strategies proven to prevent and reduce tobacco use at an accelerated rate are implemented.
- Some of the most effective strategies to keep kids from starting and to provide incentives for tobacco users to quit include:
 - making all workplaces, school campuses, and public places smoke- or tobacco-free;
 - educating the public about the health effects of secondhand smoke and the costs of tobacco use;
 - increasing the price of all tobacco products;
 - changing healthcare systems so providers always ask patients/clients about tobacco use, encourage tobacco users to quit, and connect those wanting to quit with the quitline/Net and nicotine replacement therapy.

Professional Services Contracts and IT Contractual, and Fees

- \$974,958.02 in 7 contracts/ITD work order requests thus far this biennium, or continuing from previous biennium; \$591,379.70 expended thus far, not including non-contract payments (AG).
- Services further support the implementation of the new statewide comprehensive CDC Best Practice tobacco prevention program through the following contracts:
 - Department of Health – an annual contract to provide the Center with fiscal services.
 - Odney – a continuing contract for health communications marketing services through December 2012. The contract provides public education on secondhand smoke, the costs of tobacco, and public information on program outcomes.
 - Nexus Innovations – four IT work order requests to provide data reports/maintenance, to plan for enhancements to the Progress Reporting System; and to upgrade PRS with those enhancements (online grant applications, reporting enhancements).
 - University of North Dakota – two continuing contracts to conduct a study to help determine possible health outcomes from a smoke-free policy, and to conduct an evaluation.
 - Public Health Law Center – two contracts, one for development of a case study report on the law that funds tobacco control efforts in North Dakota, and another for policy technical assistance and policy research and related training.

Sources and citation: North Dakota Center for Tobacco Prevention and Control Policy. (2012, March). *Written Report to the North Dakota Legislative Budget Section Meeting, June 15, 2012, From N.D. Center for Tobacco Prevention and Control Policy*. Bismarck, N.D. NOTE: This information includes data reported from local public health units and other organizations, as required by their grants and contracts with the Center, and other results of Center expenditures. Data on Bismarck air quality on page 1 is excerpted from *Effect of Smoke-free Air Law on Indoor Air Quality* report for Bismarck, North Dakota written by Mark J. Travers, PhD, MS and Lisa Vogl, MPH, Roswell Park Cancer Institute, for Bismarck Burleigh Public Health, February 2012. On page 2, the data on public opinion in Grand Forks is excerpted from *Comprehensive Smoke-Free Ordinance Community Impact Study*, conducted by Cordell A. Fontaine, Social Science Research Institute, University of North Dakota, for Grand Forks Tobacco Free Coalition, May 30, 2012.



The Center, along with the North Dakota Department of Health, local public health units, and other partners, is charged with implementing North Dakota's comprehensive state tobacco prevention plan: *Saving Lives— Saving Money*. The plan's goals are to significantly reduce tobacco use and its health and economic consequences by using policies and programs proven to keep kids from starting to use tobacco, help tobacco users quit, and protect everyone from secondhand smoke.

**TOBACCO PREVENTION & CONTROL COMMITTEE
2011-2013 Grants**

Contractor	Total Contract Amount	Expended to Date	Start Date	End Date	Description
<u>Tobacco State Aid</u>					
Bismarck Burleigh Public Health	62,807.00	31,404.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Cavalier County Health District	12,023.00	6,012.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Central Valley Health District	33,967.00	16,984.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
City County Health Department	16,669.00	8,336.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Custer District Health Unit	76,092.00	38,048.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Dickey County District Health Unit	12,874.00	6,436.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Emmons County Public Health	11,732.00	5,868.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Fargo Cass Public Health	107,783.00	53,892.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
First District Health Unit	123,749.00	61,876.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Foster County Health Department	11,596.00	5,800.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Grand Forks Public Health Department	53,318.00	26,660.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Kidder County District Health Unit	10,999.00	5,500.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Lake Region District Health Unit	53,926.00	26,964.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
LaMoure County Public Health Unit	12,119.00	3,030.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
McIntosh District Health Unit	11,245.00	5,624.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Nelson Griggs District Health	22,443.00	11,220.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Pembina County Health Department	14,269.00	7,136.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Ransom County Public Health Department	12,985.00	6,492.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Richland County Health Department	20,121.00	10,060.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Rolette County Public Health District	18,555.00	9,276.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Sargent County District Health Unit	11,915.00	5,956.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Southwestern District Health Unit	100,750.00	50,376.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Steele County Public Health Department	10,697.00	5,348.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Towner County Public Health District	10,875.00	5,436.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Trail District Health Unit	14,734.00	7,368.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Upper Missouri District Health Unit	62,890.00	31,444.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Walsh County Health Department	16,704.00	8,352.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Wells County District Health Unit	12,163.00	6,080.00	7/1/2011	6/30/2013	Tobacco State Aid to Local Public Health
Total Tobacco State Aid Payments					940,000.00
466,978.00					

**TOBACCO PREVENTION & CONTROL COMMITTEE
2011-2013 Grants**

Contractor	Total Contract Amount	Expended to Date	Start Date	End Date	Description
Grants to Local Public Health					
Bismarck-Burleigh Public Health	320,412.00	256,200.56	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Cavalier County Health District	43,444.00	27,178.30	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Central Valley Health District	286,203.00	228,945.52	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
City County Health Department	97,387.00	82,129.31	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Custer District Health Unit	207,261.00	176,743.89	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Dickey County District Health Unit	48,330.00	42,461.26	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Fargo Cass Public Health	529,911.00	390,151.10	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
First District Health Unit	339,060.00	262,211.40	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Foster County Health Department	42,065.00	32,241.94	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Grand Forks Public Health Department	278,048.00	215,532.98	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Lake Region District Health Unit	129,543.00	87,335.34	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Nelson Griggs District Health	38,975.00	21,533.12	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Pembina County Health Department	31,652.00	27,143.46	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Ransom County Public Health Department	49,698.00	34,382.46	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Richland County Health Department	98,169.00	61,836.08	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Rollette County Public Health District	77,800.00	46,638.62	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Sargent County District Health Unit	44,168.00	30,393.35	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Southwestern District Health Unit	193,310.00	137,976.67	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Towner County Public Health District	37,707.00	22,011.07	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Trail District Health Unit	43,835.00	22,200.46	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Upper Missouri District Health Unit	201,393.00	155,162.55	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Walsh County Health Department	68,080.00	52,093.71	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Wells County District Health Unit	55,846.00	40,526.40	7/1/2011	6/30/2012	Tobacco Grants to Local Public Health Fiscal Year 2012
Total Grants to Local Public Health					2,453,029.55
Special Initiative Grants					
American Lung Association	100,000.00	33,400.76	7/1/2011	6/30/2012	Special Initiative Grants
Tobacco Free North Dakota	100,000.00	82,632.03	7/1/2011	6/30/2012	SIG - Statewide Organization
Minot State University	416,000.00	235,801.30	8/1/2011	6/30/2012	Other
Northern Lights Youth Services	40,000.00	30,561.41	9/1/2011	6/30/2012	SIG - Statewide Organization
City-County Health District	24,988.00	9,952.63	9/15/2011	6/30/2012	SIG - Policy Development
American Nonsmokers' Rights Foundation	60,000.00	18,337.99	7/1/2011	6/30/2012	SIG - Policy Development
Total Special Initiative Grants					410,686.12
Total Grant Payments for 2011-2013 Biennium					3,330,693.67

TOBACCO PREVENTION & CONTROL COMMITTEE
2011-2013 Professional Services Contract and IT Contractual

Contractor	Total Contract Amount	Expended to Date	Start Date	End Date	Description
Odney Advertising	596,904.02	345,727.59	1/1/2011	12/31/2012	Health Communications Marketing Services
ND Department of Health	19,179.00	17,249.21	7/1/2011	6/30/2012	Fiscal Agent Services
Nexus Innovation	196,408.00	138,933.11	7/1/2011	6/30/2013	Upgrades to PRS
UND Center for Rural Health	58,667.00	58,646.78	7/1/2011	12/31/2011	2009-2011 Comprehensive Program Evaluation
University of North Dakota	2,725.00	2,708.21	10/15/2011	11/15/2011	Heart Attack Study
Public Health Law Center, Inc.	38,075.00	16,376.06	8/15/2011	6/30/2012	Tobacco Control Policy Legan Technical Assistance and Training
Public Health Law Center, Inc.	63,000.00	11,738.74	8/15/2011	6/30/2012	Case Study Research - ND Legis. Funding State Tobacco Control Efforts
Total Professional Fee and IT contracts 2011-2013 Biennium	974,958.02	591,379.70			

Non-Contracts (Paid through 3-7-2012)
Attorney General's Office

Attorney Fees for the 2011-2013 Biennium

Total Non- Contract Payments

- 3,027.42
- 3,027.42



STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Overall All States' Average: \$1.49 per pack
Major Tobacco States' Average: 48.5 cents per pack
Other States' Average: \$1.63 per pack

State	Tax	Rank
Alabama	\$0.425	47th
Alaska	\$2.00	11th
Arizona	\$2.00	11th
Arkansas	\$1.15	30th
California	\$0.87	33rd
Colorado	\$0.84	34th
Connecticut	\$3.40	3rd
Delaware	\$1.60	21st
DC*	\$2.86	6th
Florida	\$1.339	27th
Georgia	\$0.37	48th
Hawaii	\$3.20	4th
Idaho	\$0.57	42nd
Illinois	\$1.98	16th
Indiana	\$0.995	32nd
Iowa	\$1.36	26th
Kansas	\$0.79	36th
Kentucky	\$0.60	40th

* Tax stamp includes 36¢ cigarette surtax, which replaces the sales tax (surtax rate is adjusted each October)

State	Tax	Rank
Louisiana	\$0.36	49th
Maine	\$2.00	11th
Maryland	\$2.00	11th
Massachusetts	\$2.51	10th
Michigan	\$2.00	11th
Minnesota	\$1.60	21st
Mississippi	\$0.68	37th
Missouri	\$0.17	51st
Montana	\$1.70	17th
Nebraska	\$0.64	38th
Nevada	\$0.80	35th
New Hampshire	\$1.68	19th
New Jersey	\$2.70	7th
New Mexico	\$1.66	20th
New York	\$4.35	1st
North Carolina	\$0.45	45th
North Dakota	\$0.44	46th
Ohio	\$1.25	28th

* Tax stamp includes 75¢ health impact fee & 37¢ cigarette sales tax (Commissioner of Revenue sets sales tax rate each January)

State	Tax	Rank
Oklahoma	\$1.03	31st
Oregon	\$1.18	29th
Pennsylvania	\$1.60	21st
Rhode Island	\$3.46	2nd
South Carolina	\$0.57	42nd
South Dakota	\$1.53	24th
Tennessee	\$0.62	39th
Texas	\$1.41	25th
Utah	\$1.70	17th
Vermont	\$2.62	8th
Virginia	\$0.30	50th
Washington	\$3.025	5th
West Virginia	\$0.55	44th
Wisconsin	\$2.52	9th
Wyoming	\$0.60	40th
Puerto Rico	\$2.23	NA
Guam	\$3.00	NA
Northern Marianas	\$1.75	NA

Table shows all cigarette tax rates in effect by July 1, 2012 (IL on 6/24/12). Since 2002, 47 states, DC, and several U.S. territories have increased their cigarette tax rates more than 105 times. The three states in **bold type** have not increased their cigarette tax since 1999 or earlier. Currently, 30 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. Tobacco states are KY, VA, NC, SC, GA, and TN. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.36 per pack. AK, MI, MN, MS, UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

The highest combined state-local tax rate is \$5.85 in New York City, with Chicago, IL second at \$4.66 per pack. Other high state-local rates include Evanston, IL at \$4.48 and Anchorage, AK at \$3.452 per pack. For more on local cigarette taxes, see: <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.

Federal cigarette tax is \$1.01 per pack. From the beginning of 1998 through 2002, the major cigarette companies increased the prices they charge by more than \$1.25 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. In the last several years, Philip Morris, Reynolds American, and Lorillard have increased their product prices by almost \$1.00 per pack. **The U.S. Centers for Disease Control & Prevention estimates that smoking-caused health costs total \$10.47 per pack sold and consumed in the U.S.**

The average price for a pack of cigarettes nationwide is roughly \$5.97 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; MN & OK have a state sales tax but do not apply it to cigarettes; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

Campaign for Tobacco-Free Kids, June 4, 2012 / Ann Boonn

For additional information see the Campaign's website at
http://www.tobaccofreekids.org/what_we_do/state_local/taxes/.

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2010; media reports; state revenue department websites.

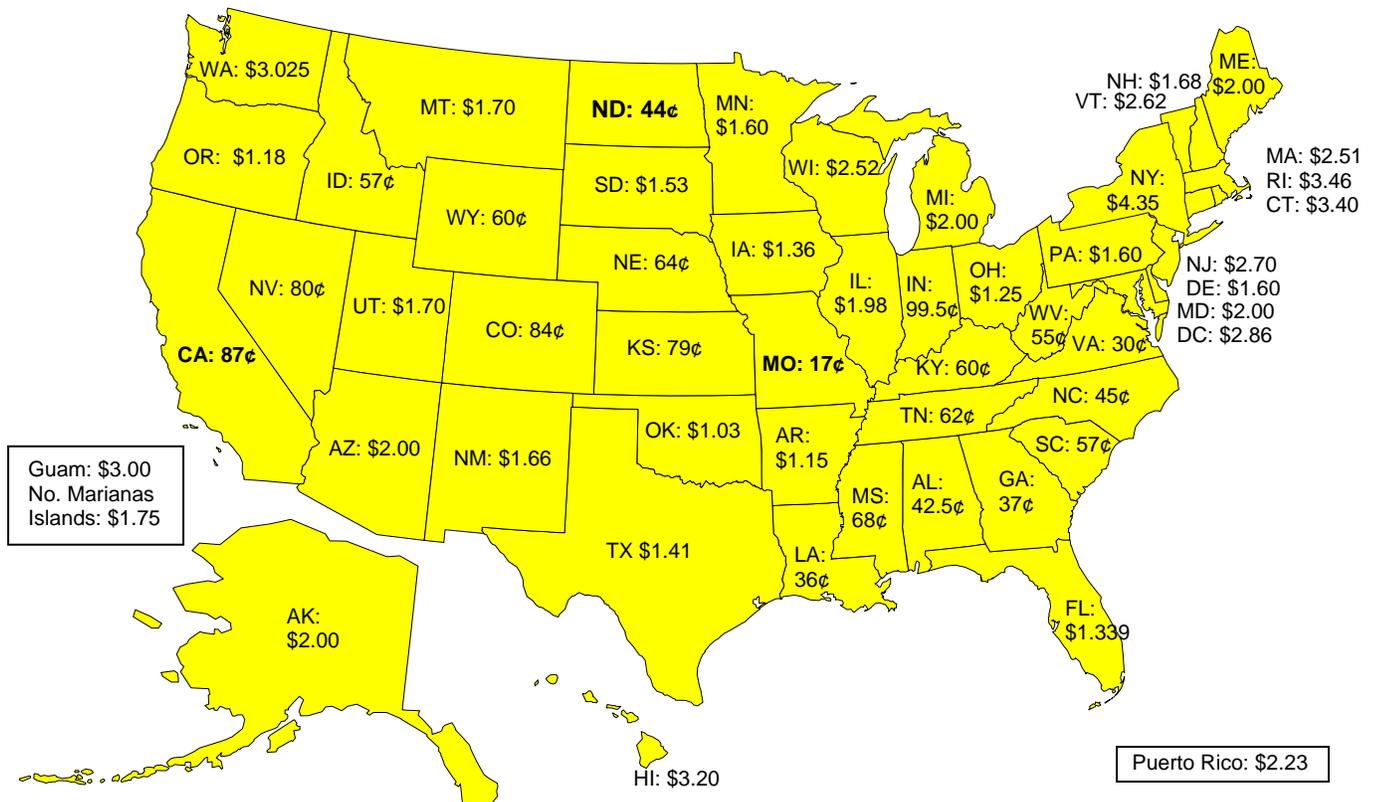


MAP OF STATE CIGARETTE TAX RATES

Average State Cigarette Tax: \$1.49 per Pack

Average Cigarette Tax in Major Tobacco States: 48.5 cents per Pack

Average Cigarette Tax in Non-Tobacco States: \$1.63 per Pack



Map shows state cigarette tax rates in effect by July 1, 2012. The three states that have not increased their cigarette tax rate since 1999 or earlier are marked in bold. Currently, 30 states, DC, Puerto Rico, the Northern Marianas, and Guam have cigarette tax rates of \$1.00 per pack or higher; 14 states, DC, Puerto Rico, and Guam have cigarette tax rates of \$2.00 per pack or higher; five states and Guam have cigarette tax rates of \$3.00 per pack or higher; and one state (NY) has a cigarette tax rate more than \$4.00 per pack. The state averages listed above do not include Puerto Rico (with a population larger than those in 20 states) or any of the U.S. territories (such as Guam). The major tobacco states with extensive tobacco farming and, often, cigarette manufacturing, are NC, KY, VA, SC, TN, & GA. Federal cigarette tax is \$1.01 per pack. Not shown are the special taxes or fees some states place on cigarettes made by Non-Participating Manufacturers (NPMs), the companies that have not joined the Master Settlement Agreement (MSA) between the states and the major cigarette companies. Some local governments also have their own cigarette taxes, such as Chicago (68¢), Cook County, IL (\$2.00), New York City (\$1.50), and Anchorage, AK (\$1.452). The U.S. Centers for Disease Control & Prevention estimates that smoking-caused health costs and productivity losses total \$10.47 per pack sold.

Campaign for Tobacco-Free Kids, June 4, 2012 / Ann Boonn

For more information on state cigarette taxes and the benefits from increasing them, see http://www.tobaccofreekids.org/facts_issues/fact_sheets/policies/tax/us_state_local/.

Pahlke, Sara E.

Subject: FW: Updated Tax Stats -- as of July 1, 2012
Attachments: State Cig Excise Tax Rates and Rankings 6-04-12.doc; Map of State Cig Tax Rates 6-04-12.doc

From: Prom, Jeanne M.
Sent: Tuesday, June 19, 2012 12:48 PM
To: LaVallie, Amy L.
Cc: Prom, Jeanne M.
Subject: Updated Tax Stats -- as of July 1, 2012

Some facts:

Overall All States' Average: \$1.49 per pack
Major Tobacco States' Average: 48.5 cents per pack
Non-Tobacco States' Average: \$1.63 per pack

30 states and DC with cigarette tax rates of \$1.00 per pack or more, 14 states and DC with cigarette tax rates of \$2.00 per pack or more, 5 states with tax rates of \$3.00 or more, and one state with a tax rate higher than \$4.00.

47 states, DC and Puerto Rico have increased their cigarette tax rates more than 105 times (actual number: 106) since 2002.

NY still has the highest tax rate at \$4.35 per pack, while Missouri has the lowest tax rate at 17 cents per pack. IL's new tax rate brings its rank up to 16th. Cook County, IL, and a few cities within that county have an additional cigarette tax on top of the state cigarette tax, so that the excise tax alone on a pack of cigarettes in Chicago, IL, is \$4.66.

One more thing to note. While DC did not have an excise tax increase this past year, the District moved from a percentage-of-price sales tax collected at the retail level to a "surtax" collected at the wholesale level. Because this surtax is included in the cigarette tax stamp, we have included it in the listed tax rate. We similarly do so for Minnesota, which has a per-pack sales tax on cigarettes and the health impact fee also included in the tax stamp. For both DC and MN, the sales tax rate is recalculated each year and we incorporate that change in our updated factsheets; we don't consider them increases in the usual sense, since they're really just adjustments.

Tell me if you have any questions or need anything else!

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