

American Lung Association Testimony SB 3

Budget and Taxation Committee

January 29, 2020

Chairman Guzzone and Members of the Committee:

Thank you for the opportunity to provide comments on Senate Bill 3, Electronic Smoking Devices, Other Tobacco Products, and Cigarettes – Taxation and Regulation sponsored by Senator McCray. The American Lung Association strongly supports this bill as a proven way to address the youth tobacco epidemic and encourage current smokers to make a quit attempt.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, through research, education and advocacy. The work of the American Lung Association is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

One of the most effective ways to reduce tobacco use is to significantly increase the tax on all tobacco products, including e-cigarettes. Multiple studies have shown that every 10 percent increase in the price of cigarettes reduces consumption by about four percent among adults and about seven percent among youth. As proposed in Senate Bill 3 the Lung Association supports the increased in cigarette taxes by \$2.00 per pack and equalizing the tax on other tobacco products including e-cigarettes. We encourage the legislature to remain firm with the figures proposed in the bill as the evidence shows that increases must be significant in nature to realize public health benefits. Insignificant or gradual increase in price of tobacco products can be easily counteracted with industry tactics such as coupons and price discounts.

As part of the effort to combat the youth e-cigarette epidemic taxing all tobacco products at a comparable rate to combustible cigarettes is imperative, as youth smokers are especially price conscious, therefore keeping the price of tobacco products high is one of the most effective steps we can take to prevent youth tobacco use. When the price of cigarettes goes up, youth smoking rates decline. The measure before you would equalize the tax on all tobacco products – including e-cigarettes. We have recently seen another dramatic and extremely troubling rise in high school e-cigarette use. In new data from the 2019 National Tobacco Youth Survey, e-cigarette use soared by another 32 percent among high school students from 2018-2019 showing that 27.5 percent of high school users have used e-cigarettes in the last month, compared to 11.7% in 2017 and 20.8% in 2018. This

equals more than 5 million middle and high school students who now use e-cigarettes. The tobacco industry has continued to target youth users with marketing of these products which have made them appealing for youth users to initiate tobacco use, with many youth not realizing that these products contain nicotine and then struggling with a lifetime of addiction. The Lung Association is encouraging states to look at evidence-based policy measures to address this epidemic, including increasing the price of these products. If there is not an equalized tax rate on all other tobacco products, current users may just switch to lower priced products versus taking the steps to quit.

The revenue generated from the proposed increased tax should be used to restore much needed funding of \$21 million to the Department of Health for tobacco control programs. Increased funding for tobacco control programs is critical to Maryland as current tobacco use, including vaping, among youth is 21.6%. An investment in prevention is integral especially given the skyrocketing number of youth who are vaping and using flavored tobacco products. Despite Maryland receiving \$513.4 million from tobacco settlement payments and tobacco taxes, the state funds tobacco control efforts at only 26.8% of the level recommended by the Centers for Disease Control and Prevention (CDC). The American Lung Association believe the funds should be used to support the health of our communities, and to prevent tobacco use and help smokers quit, not switch.

The Lung Association thanks the Maryland General Assembly for their commitment to the health and wellbeing of the residents of Maryland and the desire to protect Maryland youth from a lifelong tobacco and nicotine addiction. The Lung Association strongly supports Senate Bill 3 and encourages swift action to move the bill out of committee and passage by the General Assembly.

Sincerely,



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