

TOBACCO & VAPING 101: MARYLAND



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Combustible cigarette use among American youth and adults have reached all-time lows, but many policymakers are concerned with the increased use of electronic cigarettes and vapor products, especially among youth and young adults.

This paper examines smoking rates among adults in the Old Line State, youth use of tobacco and vapor products, and the effectiveness of tobacco settlement payments, taxes, and vapor products on reducing combustible cigarette use.

TAXPAYERS PROTECTION ALLIANCE

TABLE OF CONTENTS

Adult Smoking Rates • P. 2

Youth Tobacco and Vapor
Rates • P. 2

Cigarette Tax Revenue • P. 3

Master Settlement Agreement
• P. 3

Tobacco Control Funding • P. 4

E-Cigarettes' Effectiveness in
Maryland • P. 4

Policy Implications • P. 5

Supplemental Graphs • P. 6

References • P. 7

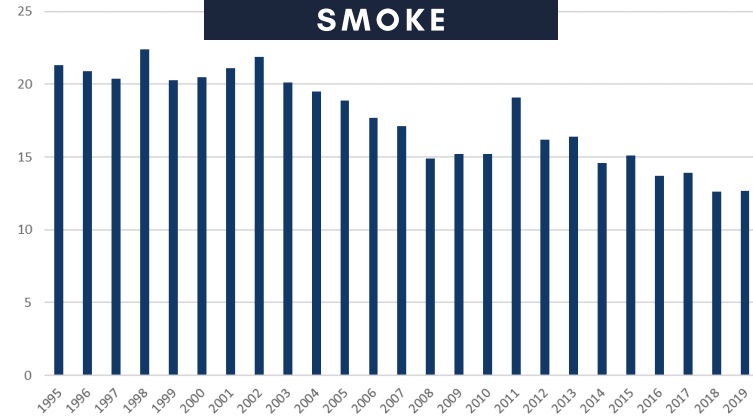
ADULT SMOKING RATES

In 1995, 21.3 percent[1] of Maryland adults smoked combustible cigarettes, amounting to approximately 802,868 adults.[2] Among all adults, 18 percent (678,480 adults) reported smoking every day in 1995.

In 2019, 12.7 percent of adults in the Old Line State were current smokers, amounting to 598,296 smokers. Further, 8.2 percent of Maryland adults (386,301 adults) were daily smokers in 2019.

Among Maryland adults, current smoking decreased by 40.4 percent between 1995 and 2019. Moreover, there are an estimated 204,572 fewer smokers in 2019, compared to 1995, and 292,179 fewer daily smokers.

PERCENTAGE OF ADULTS WHO SMOKE



AMONG MARYLAND ADULTS, CURRENT SMOKING DECREASED BY 40.4 PERCENT BETWEEN 1995 AND 2019.



YOUTH COMBUSTIBLE CIGARETTE USE HAS DECREASED 58 PERCENT SINCE 2013.

YOUTH TOBACCO AND VAPING RATES

The most recent data on youth tobacco and vapor product use in Maryland comes from the 2019 Youth Risk Behavior Survey.[3] In 2019, 39.7 percent of Maryland high school students reported ever-trying e-cigarettes, 23 percent reported past 30-day use, and 3.7 percent reported using vapor products daily.

Youth combustible cigarette use is at an all-time low. In 2019, five percent of Maryland high school students reported past 30-day cigarette use, this a nearly 58 percent decrease from 2013, when 11.9 percent of high school students in Maryland used cigarettes in the past 30 days. Further, daily cigarette use among Maryland high school students decreased by 68 percent from 2.5 percent in 2013 to 0.8 percent in 2019.



CIGARETTE TAX REVENUE

Between 2000 and 2020, Maryland collected an estimated \$4.582 billion in cigarette tax stamps.[4] During the same 20-year time period, the Old Line State increased the tax rate twice, which has not led to a significant increase in revenue.

In 2002, cigarette tax rates increased by \$0.34 to \$1.00 per pack. In 2002, Maryland collected \$301 million in revenue attributed to the cigarette tax stamp, an increase of 19.2 percent from the \$252.6 million the state received in 2001.

In 2008, Maryland increased cigarette tax rates by \$1.00 to \$2.00 per pack. Cigarette tax revenue declined by 10.3 percent from \$271 million in 2007 to \$243 million in 2008. Cigarette tax revenue has continued to decline and in 2020, Maryland collected \$155.3 million in cigarette taxes, a 37.1 percent decline from 2008.

***BETWEEN 2000 AND 2020,
MARYLAND COLLECTED AN
ESTIMATED \$4.582 BILLION
IN CIGARETTE TAX STAMPS.***

MASTER SETTLEMENT AGREEMENT

In the mid-1990s, Maryland sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 45 other states, Maryland reached “the largest civil litigation settlement in U.S. history” through the Master Settlement Agreement (MSA).[5]

Under the MSA, states receive annual payments – in perpetuity – from the tobacco companies, while relinquishing future claims against the participating companies. Between 1998 and 2020, Maryland collected \$2.966 billion in MSA payments.[6]



***BETWEEN 1998 AND 2020, MARYLAND RECEIVED AN
ESTIMATED \$2.966 BILLION IN MSA PAYMENTS.***

VERY LITTLE TOBACCO CONTROL FUNDING

Tobacco taxes and tobacco settlement payments are justified to help offset the costs of smoking, as well as prevent youth initiation. Like most states, Maryland spends very little of existing tobacco moneys on tobacco control programs - including education and prevention.

Between 2000 and 2020, Maryland allocated only \$286.5 million towards tobacco control programs.[7] This is only 6.3 percent of what Maryland collected in cigarette taxes in the same 20-year time span and only 9.6 percent of MSA payments. To put it in further perspective, in 20 years, Maryland allocated only three percent of tobacco settlement payments and taxes on programs to prevent tobacco use.

IN 20 YEARS, MARYLAND ALLOCATED ONLY THREE PERCENT OF TOBACCO SETTLEMENT PAYMENTS AND TAXES ON PROGRAMS TO PREVENT TOBACCO USE.

VAPOR PRODUCT EMERGENCE CORRELATES WITH LOWER YOUNG ADULT SMOKING

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of e-cigarettes expanded to all major markets in the United States." [8] Examining data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey finds that e-cigarettes' market emergence has been more effective than MSA payments in reducing smoking rates among young adults in Maryland.

In 1998, among current adult smokers in Maryland, 25.6 percent were 18 to 24 years old. In 2008, this had decreased by 37.9 percent, to

15.9 percent of adult smokers in Maryland being between 18 to 24 years old.

10 years after e-cigarette's market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 63.5 percent. Indeed, in 2009, among current smokers in Maryland, 15.9 percent were between 18 to 24 years old. In 2019, only 5.8 percent of current smokers were 18 to 24 years old.

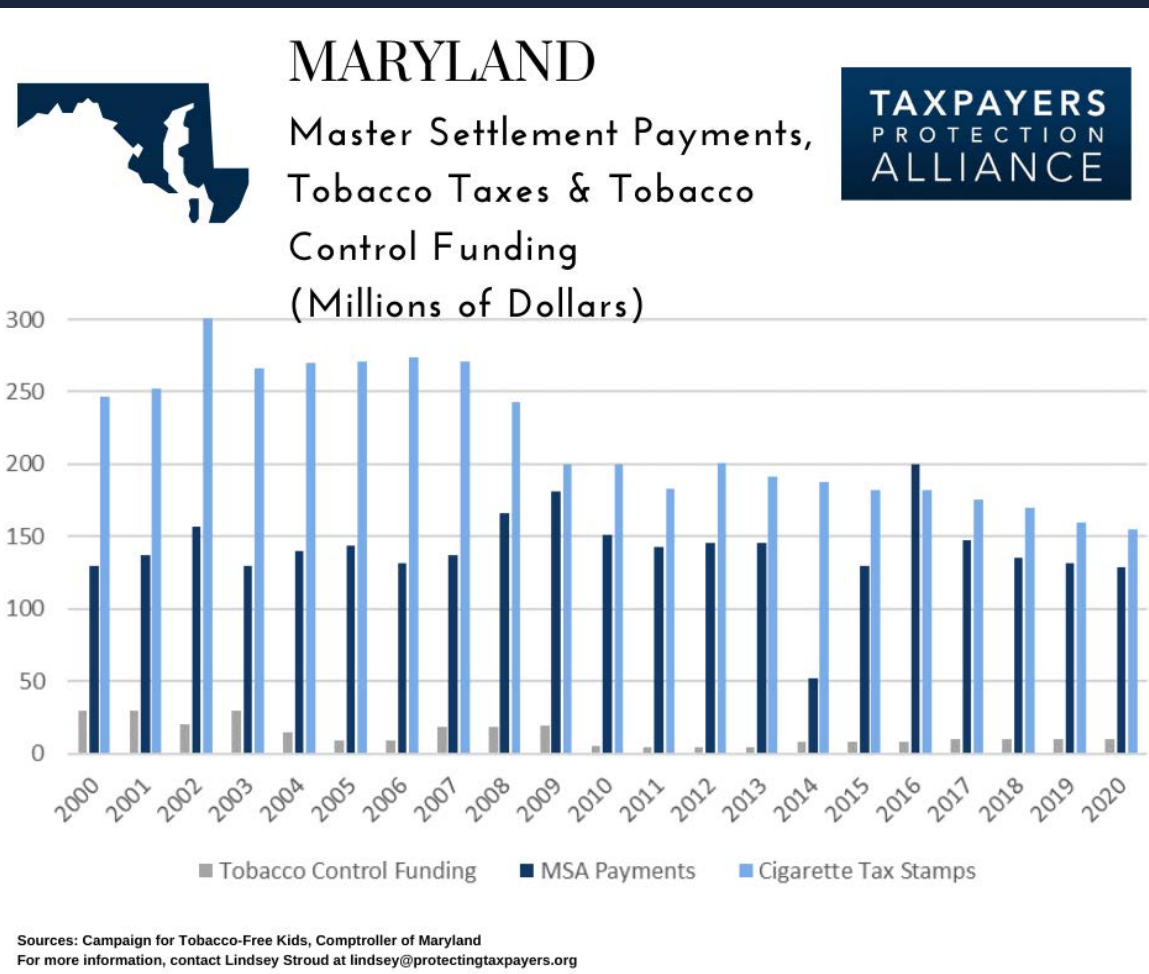
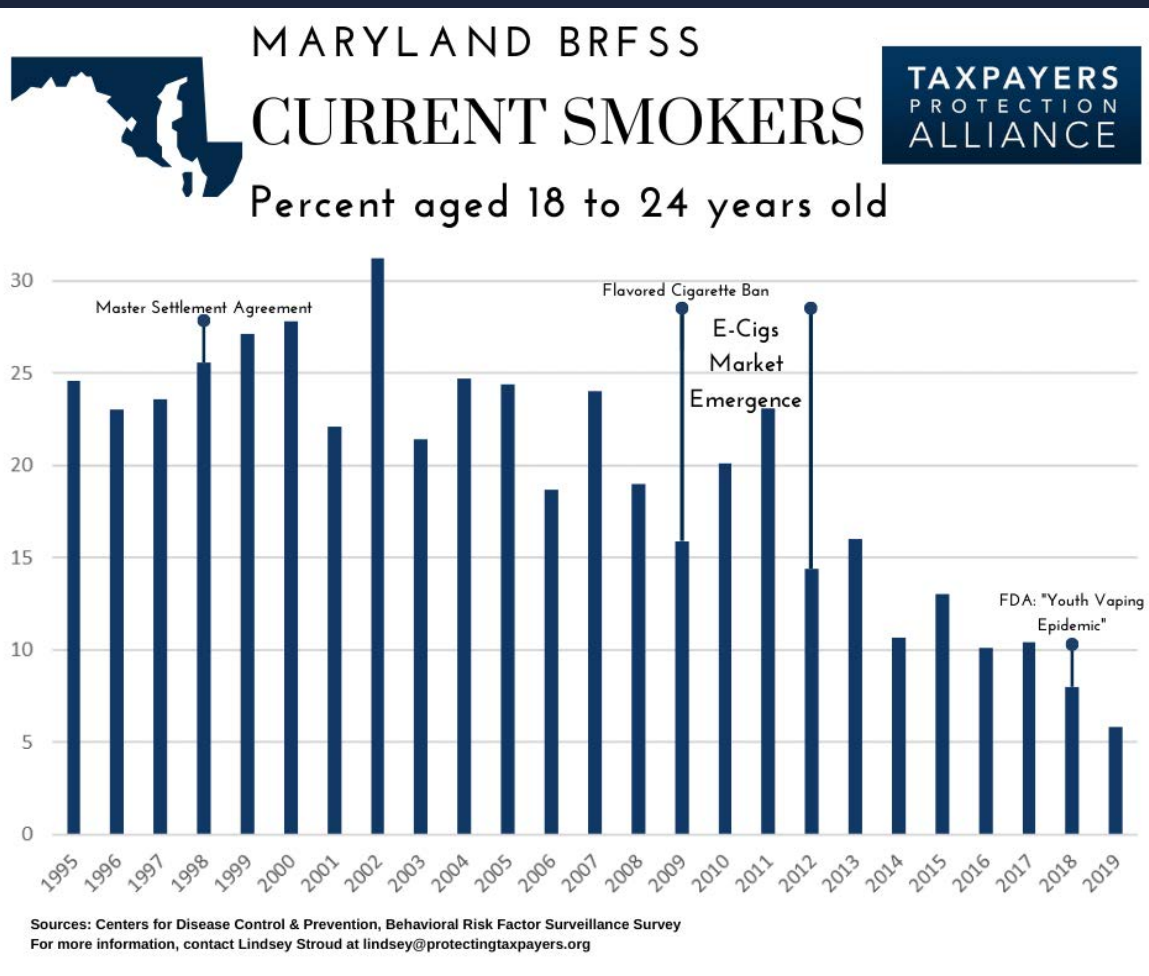
Further e-cigarettes' market emergence was associated with a larger decline in average annual percent decreases. Between 1998 and 2008, the percentage of current smokers aged 18 to 24 years old decreased on average 1.84 percent each year. Between 2009 and 2019, annual percentage declines average at 6.7 percent.

10 YEARS AFTER E-CIGARETTES' MARKET EMERGENCE IN 2009, SMOKING RATES AMONG CURRENT SMOKERS AGED 18 TO 24 YEARS OLD DECREASED BY 63.5 PERCENT.

POLICY IMPLICATIONS:

- In 2019, 12.7 percent of Maryland adults smoked combustible cigarettes, this is a 40.4 percent decrease from 1995. Further, youth combustible cigarette use has decreased by 58 percent in a six-year time period, from 11.9 percent in 2013 to five percent in 2019.
- Maryland spends very little on tobacco control programs, including prevention and education. In 20 years, the Old Line State allocated only \$286.5 million toward tobacco control programs. This is only three percent of what the state received in tobacco settlement payments and tobacco taxes in the same 20-year time period.
- E-cigarettes appear more effective than MSA payments in reducing smoking rates among young adults in Maryland.
- 10 years after the MSA, smoking rates decreased among 18- to 24-year-old by 37.9 percent. 10 years after e-cigarettes market emergence, smoking rates among 18 to 24 years old decreased by 63.5 percent.







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ABOUT

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer and consumer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impacts taxpayers and consumers regardless of the political party responsible. TPA holds government officials in the United States (and around the world) accountable through issue briefs, editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials. While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

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