



Vermont’s Cigarette Tax and Benefits of a \$1.25 Increase

Vermont’s cigarette tax is \$2.62. **It’s vital that Vermont raise this tax by \$1.25 to \$3.87.** Raising the tax is the single, most effective way to prevent youth from smoking. Coupled with a strong tobacco control program, it’s one of the best ways to help smokers to quit.

A \$1.25 increase would provide \$14.92* million in new revenue and could begin restoring VT’s Tobacco Trust Fund.

Current Northeast Cigarette Excise Tax, per pack:		
New York	\$ 4.35	(1 st in US)
Rhode Island	\$ 3.50	(3rd in US)
Connecticut	\$ 3.40	(4th in US)
Vermont	\$ 2.62	(9th in US)
Massachusetts	\$ 3.51	(2nd in US)
Maine	\$ 2.00	(12 th in US)
New Hampshire	\$ 1.68	(18 th in US)
Region average:	\$3.00	

A \$1.25 increase in Vermont’s tax would still leave it below neighboring New York’s.

RAISING THE PRICE OF TOBACCO IS AN EFFECTIVE TOOL TO PREVENT AND REDUCE SMOKING:

Studies have repeatedly shown that increasing the price of tobacco by *at least* 10% reduces adult smoking by 3-5% and youth smoking by about 7%. In addition, low income smokers are four more times likely to quit than higher income smokers. The Vermont Low Income Advocacy Council has repeatedly supported significant increases in Vermont’s cigarette tax.

VT SMOKING RATES:

Adults: 17%
Youth: 13%
12th grade: 19%

About one-third of very low income (31%), and uninsured (35%) adults smoke. High school drop-outs are more likely to smoke (39%), and an estimated 38% of adults with mental illness smoke. 24% of 18-24 year olds smoke.

BENEFITS OF A \$1.25 INCREASE IN VERMONT:

- **Save \$96.65 million in long-term health care costs**
- **Raise \$14.92 million in new annual revenue**
- **Prevent 2,400 kids from becoming smokers**
- **Spur 2,700 current adult smokers to quit**
- **Save 1,400 residents from premature, smoking-caused deaths**

VERMONT TOBACCO TAX HISTORY:

- In 2002 - successful campaign to increase tax from \$0.44 to \$1.19 per pack over two years.
- In 2006 -- successful campaign to increase the tax on cigarettes by \$0.80 over two years, bringing the total to \$1.99 per pack.
- The legislature increased the tax in 2009 by \$0.25 and in 2011 by \$0.38 to its current level of \$2.62. These increases raised revenue but likely had no impact on smoking rates.

The last time there was a year between a VT tax increase and a NH tax change was Vermont's 2006 increase from \$1.19 to \$1.79 compared to NH’s \$0.80 tax. The following year, VT cigarette tax revenues rose by \$13.4 million (28.3%), NH tax revenues fell by \$3.4 million (-2.4%).

Projections provided by National Campaign for Tobacco Free Kids