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Revision Date: _____ Dept. Affected: Revenue
 Title: Increase Tobacco Taxes BRU: Revenue Operations
 Component: Income and Excise Audit
 Sponsor: Senator Ellis
 Requestor: (S) HES COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	30.0	30.0	30.0	30.0	30.0	30.0
TRAVEL	0.5	0.5	0.5	0.5	0.5	0.5
CONTRACTUAL	6.5	1.5	1.5	1.8	1.5	1.5
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	41.5	32.6	32.6	32.8	32.6	32.6
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	33,506.8	50,260.3	50,260.3	50,503.3	50,503.3	50,737.6

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	41.5	32.5	32.5	32.8	32.5	32.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	41.5	32.6	32.6	32.8	32.6	32.6

Estimate of any current year (FY97) cost \$ 0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Brett Fried, Economist Phone: 465-3682
 Division: Income and Excise Audit Division Date: February 3, 1997
 Approved by Commissioner: Wilson L. Condon Date: February 4, 1997
 Agency: Department of Revenue

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**Alaska Department of Revenue
Income and Excise Audit Division**

Increase Tobacco Taxes
SB 61
0-LS0276\A
February 3, 1997
Page 2 of 4

DRAFT BILL ANALYSIS

Section 1 describes the health benefits of an increase in the excise tax rate on cigarette and tobacco products.

Section 2 increases the School Fund portion of the cigarette tax rate by \$1.20 per pack of 20; from 2.5 mills per cigarette (\$.05 per pack) to 65 mills per cigarette (\$1.25 per pack). Combining this rate with the 12 mills per cigarette (\$.24 per pack) levied under AS 43.50.190, which goes to the General Fund, the total tax rate on a pack of cigarettes would increase from \$.29 to \$1.54.

Section 3 This section only takes effect if section 2 of this act is ruled unconstitutional (see section 10). If so, the statute would be amended back to how it was prior to the bill passage.

Section 4 This section only takes effect if section 2 is ruled unconstitutional (see section 10). If so, this section increases the General Fund portion of the cigarette tax rate by \$1.25 per pack of 20; from 12 mills per cigarette (\$.24 per pack) to 74.5 mills per cigarette (\$1.49 per pack). Combining this rate with the 2.5 mills per cigarette (\$.05 per pack) levied under AS 43.50.090, which is dedicated to the School Fund, the total tax rate on a pack of cigarettes would increase from \$.29 to \$1.29.

Section 5 increases the tobacco products tax rate from 25% to 100% of the wholesale price of the tobacco products.

Section 6 creates a separate account (tobacco control and health promotion) for disposition of revenue derived from the increase from 25 to 100 percent of the wholesale prices of tobacco products.

Section 7 adds a new subsection to AS 43.50.350 to specifically differentiate the account set up under section 6 from a dedicated fund.

Section 8 adds a new section under AS 43.50 (AS 43.50.365) to increase the tobacco product tax rate applied to the wholesale price by the Anchorage CPI on July 1 of each even numbered year. The starting point of the index is January 1, 1998.

Alaska Department of Revenue
Income and Excise Audit Division

Increase Tobacco Taxes
SB 61
0-LS0276VA
February 3, 1997
Page 3 of 4

Section 9 requires public notice at the time of a change in tax rates under AS 43.50.365.

Section 10 establishes an effective date of October 1, 1997 for sections 1, 2, and 5-9 of this Act.

Section 11 establishes an effective date of which ever of the following comes later: (1) when a court enters a final judgement that the amendment under section 1 of this act is unconstitutional or (2) when the time for appeal has expired or upon entry of a final order on the appeal that section 1 is unconstitutional.

OPERATING EXPENDITURES

Department of Revenue is requesting operating funds to cover ½ the costs of a Revenue Auditor III position. With such a large increase in taxes due the state (increase from \$17 to \$67 million annually), the department anticipates increased taxpayer noncompliance.

With significantly higher levels of tax, it is possible that taxpayers will look for loopholes or other methods of tax avoidance. This ½ position will be responsible for ensuring that all taxpayers are identified and that taxpayers are filing and paying the proper amount of tax. The projected annual salary costs for the ½ portion of this position comes to \$30.0.

The department is also requesting one time FY 98 funding of \$5.0 for contractual funds to cover costs of public notice of rate increases, forms revisions and postage, and \$4.0 for equipment (\$3.5 for computer costs and \$.5 for office equipment). The recurring costs will be \$2.5 to cover travel, contractual and supplies, except for FY 01 where an addition \$.3 will be necessary to cover public notice of the tax rate increase.

REVENUE COLLECTED

The attached spreadsheet details revenue projections from rate increases in this bill.

Alaska Department of Revenue
Income and Excise Audit Division
Projected Revenue Increases from Change in Tobacco Tax Rates

Increase Tobacco Taxes
 SB 61
 O-LS0276A
 February 3, 1997
 Page 4 of 4

	FY 98*	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Cigarettes							
<i>Elasticity Factor</i>	-23.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption (packs of cigarettes)	26,974,793 *	40,462,191	40,462,191	40,462,191	40,462,191	40,462,191	40,462,191
Rate	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54
Cigarette Tax	\$41,541,182	\$62,311,774	\$62,311,774	\$62,311,774	\$62,311,774	\$62,311,774	\$62,311,774
Less 1.0% Commission	(415,412)	(623,118)	(623,118)	(623,118)	(623,118)	(623,118)	(623,118)
Net Cigarette Tax	\$41,125,770	\$61,688,657	\$61,688,657	\$61,688,657	\$61,688,657	\$61,688,657	\$61,688,657
FY 97 Projected Cigarette Tax	(10,083,937) *	(15,125,905)	(15,125,905)	(15,125,905)	(15,125,905)	(15,125,905)	(15,125,905)
Net Cigarette Tax Increase	\$31,041,833	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762
Increase to School Fund	\$31,041,833	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762	\$46,662,762
Tobacco Products							
<i>Elasticity Factor</i>	-18.3%	0.0%	0.0%	-19.0%	0.0%	-20.7%	0.0%
Consumption (Whole. Pr. 1996 \$)	\$3,591,648 *	\$5,387,473	\$5,387,473	\$5,314,097	\$5,314,097	\$5,240,722	\$5,240,722
Rate	100%	100%	100%	106%	106%	112%	112%
Tobacco Products Tax	\$3,591,648	\$5,387,473	\$5,387,473	\$5,632,943	\$5,632,943	\$5,869,609	\$5,869,609
Less 1.0% Commission	(35,916)	(53,875)	(53,875)	(56,329)	(56,329)	(58,696)	(58,696)
Net Tobacco Products Tax	\$3,555,732	\$5,333,598	\$5,333,598	\$5,576,614	\$5,576,614	\$5,810,912	\$5,810,912
FY 97 Projected Tob. Prod. Tax	(1,090,715)	(1,636,073)	(1,636,073)	(1,636,073)	(1,636,073)	(1,636,073)	(1,636,073)
Net Tobacco Prod. Tax Increase	\$2,465,018	\$3,697,525	\$3,697,525	\$3,940,541	\$3,940,541	\$4,174,839	\$4,174,839
Tob. Con. & Health Pro. Account	\$2,465,018	\$3,697,525	\$3,697,525	\$3,940,541	\$3,940,541	\$4,174,839	\$4,174,839
Cigarette and Tob. Products							
Net Cigarette and Tobacco Tax	\$44,681,602 *	\$67,022,256	\$67,022,256	\$67,944,718	\$67,944,718	\$68,181,383	\$68,181,383
Net Cig. and Tob. Increase	\$33,606,850 *	\$50,260,277	\$50,260,277	\$50,603,292	\$50,603,292	\$50,737,691	\$50,737,691

*Note: The bill's effective date results in the tax increase covering 8 months in FY 98.

ALASKA STATE LEGISLATURE

Senate Health, Education and
Social Services Committee

Senate Judiciary Committee

Department of Health and Social
Services Budget Subcommittee

Department of Law
Budget Subcommittee

While in Session
State Capitol, Rm. 9
Juneau, Alaska 99801
(907) 465-3704
fax: (907) 465-2529

While in Anchorage
716 West 4th Ave., Ste. 440
Anchorage, Alaska 99501
(907) 258-8182
fax: (907) 258-5571

SENATOR JOHNNY ELLIS

SPONSOR STATEMENT SENATE BILL 61

Senate Bill 61 would raise the excise tax on tobacco. This proposal is designed to provide more revenues to more effectively offset the costs of tobacco-induced diseases, and to keep people from forming tobacco addictions at an early age.

Tobacco use is the single most preventable cause of premature death and crippling disease in the United States, and Alaska nearly tops the national list for smoking-related deaths. Twenty-eight percent of Alaskan adults smoke cigarettes regularly as compared to the national median of twenty-two percent. Nearly eighty-four percent of Alaskan adults who smoke started between the ages of 10 and 20 years old. These statistics provide compelling reasons to bring Alaska's tobacco taxes up to a level that corresponds to the rate of tobacco abuse in Alaska.

The current tax on cigarettes is \$.29 per pack. Under this proposal, cigarettes would be taxed at a rate of 65 mills per cigarette, which would amount to a levy of \$1.25. The tax would increase the cigarette and tobacco tax rates at two year intervals by imposition of a rate tied to the consumer price index for the Anchorage area. Section 2 of SB 61 increases the tax that is dedicated, having the effect of placing the proceeds into the 'school fund.' Bill Section 4 provides a contingency that in the event it is determined that the dedication is disallowed, the increase would continue to be collected and deposited in the general fund.

For tobacco products, the excise tax levied would increase from 25 percent to 100 percent of the wholesale price of tobacco products and would be deposited in the general fund. Revenues in excess of 25% of the wholesale price would be accounted for separately in an account called the 'tobacco control and health promotion account.' The Governor would make recommendations to the Legislature at the end of each fiscal year for appropriation of the balance to provide for tobacco control activities.

It is estimated that this tax increase would raise \$43 million annually. More importantly, it would dramatically lower teenage smoking and tobacco use, and will reduce future expenditures on health care costs. I urge your support.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 29, 1997

SUBJECT: Senate Bill 61, relating to taxes on cigarettes and tobacco products and to use of the proceeds of the taxes -- sectional analysis. (Work Order No. 20-LS0276\A)

TO: Senator Johnny Ellis
ATTN: Lynn Kenney

FROM: Jack Chenoweth
Legislative Counsel

Senate Bill 61 proposes increases to state imposed taxes on cigarettes and tobacco products.

Bill section 1 makes legislative findings for the measure.

Bill section 2: The bill section increases the tax on cigarettes by 62.5 mills per cigarette or \$1.25 per pack (62.5 mills x 20 cigarettes per pack). Because the changes are made to the rate of a tax that is dedicated, they would have the effect of providing for the deposit of the increase into the "School Fund," AS 43.50.140.

Bill section 3: Whether the rate imposed in a dedicated tax may be changed without destroying the dedication is debatable. In the event the courts are asked to decide the question and determine that the dedication is destroyed, this bill section is included to restore the current rate of tax for the component that is dedicated for inclusion in the School Fund.

Bill section 4: This is a contingent amendment. In the event the changes set out in bill section 1 are found to destroy the dedication, the 62.5 mill rate increase is made to current AS 43.50.190(a), a provision that imposes a further tax on cigarettes and that, because the proceeds are not dedicated, adds the increased revenue to the state general fund.

Bill section 5: The amendment proposed would increase the excise tax on tobacco products other than cigarettes from its current 25 percent of the product's wholesale price to 100 percent of the wholesale price.

Bill section 6: The provision directs the Department of Revenue to account for the tobacco tax increase made in the preceding bill section within a "tobacco control and health

Senator Johnny Ellis
January 29, 1997
Page 2

promotion account," and explains how that money may be used following legislative appropriation.

Bill section 7 emphasizes that the separate accounting and instruction for the use of the tobacco tax increase is not intended to create a dedicated fund.

Bill section 8 would increase the cigarette and tobacco tax rates, at two-year intervals, by imposition of a rate calculated to the consumer price index for the Anchorage area, and explains how the computation of the index shall be made and applied.

Bill section 9 directs the Department of Revenue to give notice to the public and to cigarette and tobacco tax licensees of the biennial changes in the rates of the cigarette and tobacco taxes.

Bill section 10 gives most of the bill's provisions an October 1, 1997, effective date.

Bill section 11, also an effective date provision, spells out the contingency under which certain of the earlier bill sections are to take effect. Those sections are to be given effect only if a court determines that changing the rate of taxation on cigarettes destroys the dedication of tax revenue derived from the cigarette tax.

JBC:jdr:glc
97-059.jdr

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Since 1934, the American Lung Association of Alaska has been fighting lung disease through research, education, community service, and advocacy.



RESOLUTION

BOARD OF DIRECTORS

AMERICAN LUNG ASSOCIATION OF ALASKA

Be it resolved that the Board of Directors of the American Lung Association of Alaska supports the passage of a \$1.00 (one dollar) per pack tax on cigarettes and urges the State Legislature of Alaska to enact this tax in the 1997 legislative session to help prevent tobacco abuse in Alaska.

Kevin Fischer
President, Board of Directors

January 21, 1997



alaska academy of physician assistants

January 15, 1997

Citizens to Protect Kids from Tobacco
1057 W. Fireweed Lane, Suite 204
Anchorage, Ak 99503

The Alaska Academy of Physician Assistants supports SB234/HB442 which raises the tobacco tax in Alaska. Experience in California, Hong Kong, Britain, New Zealand and Canada reflect reduced smoking rates when higher cigarette taxes were imposed.

Alaska has the sixth highest rate of smoking in the U.S., the sixth highest rate of smoking related deaths in the U.S., and the 28th lowest state tobacco excise tax. By increasing cigarette taxes will reduce consumption, especially by the most price sensitive group, the teenagers. We also know that 84% of Alaskan adult smokers started smoking between the ages of 10 and 20.

The direct health care costs of smoking related diseases on the Alaskan economy were estimated to be \$45.6 million dollars in 1991. Each Alaskan underwrites these costs whether or not they are smokers. By increasing the tobacco tax, we can deter smoking especially in teens, decrease the overall costs of smoking to all Alaskans, and generate income to be used toward public education on the hazards of smoking.

The Academy supports the tobacco tax and would urge you to consider supporting these bills.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeanne M. Clark'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeanne M. Clark, PA-C

Past President

Alaska Academy of Physician Assistants



Fairbanks North Star Borough

Assembly

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1000

Fax 907/459-1224

June 3, 1996

Honorable G. Lincoln
State Capitol
Juneau, Alaska 99811

*RE: RESOLUTION NO. 96-046. A Resolution Supporting Passage Of
A Bill Increasing State Taxes On Tobacco Products.*

Dear Senator Lincoln:

The Fairbanks North Star Borough Assembly adopted the enclosed resolution at a Special Meeting of May 30, 1996.

The Assembly supports the passage of a bill increasing taxes on all tobacco products brought into the state from outside the state for sale, all tobacco made, manufactured, or fabricated in the state for sale in the state, or on tobacco products shipped or transported to a retailer in the state for sale by the retailer.

Your support of a bill increasing State taxes on tobacco products would be appreciated.

Respectfully yours,

Cheryl D. Kilgore
FNSB Assembly Presiding Officer

By: Dan LaSota
Introduced: 05/30/96
Adopted: 05/30/96

RESOLUTION NO. 96-046

A RESOLUTION SUPPORTING PASSAGE OF A BILL INCREASING STATE TAXES
ON TOBACCO PRODUCTS

WHEREAS, it has been determined that use of tobacco products can be hazardous to a person's health, cause premature death, increase costs for employers in all categories because of illnesses caused by smoking; and

WHEREAS, it has also been shown that secondary smoke is hazardous to the health of those breathing the smoke, especially senior citizens and children; and

WHEREAS, the segment of the population which increasingly uses tobacco products is teenagers and young adults; and

WHEREAS, it has been shown in places where there has been a significant tax increase on tobacco products, the amount of smokers, especially among young persons, has dramatically decreased; and

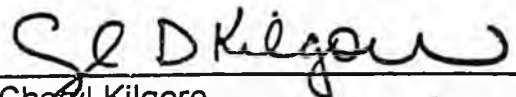
WHEREAS, the Governor of the State of Alaska has caused to be introduced a bill increasing taxes on the sale of tobacco products in the state; and

WHEREAS, if the bill is adopted, it is the intent of the Legislature, subject to appropriations, to use the revenues from the tax increase to establish an aggressive anti-tobacco campaign targeting children, as grants to municipalities to be used to detect and prosecute those who sell or otherwise supply tobacco to children, and the balance for state support of elementary and secondary education.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly supports the passage of a bill increasing taxes on all tobacco products brought into the state from outside the state for sale, all tobacco made, manufactured, or fabricated in the state for sale in the state, or on tobacco products shipped or transported to a retailer in the state for sale by the retailer.

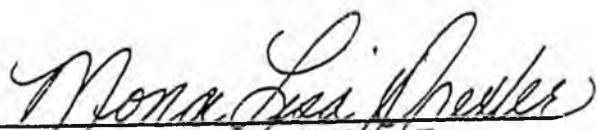
BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Tony Knowles, Governor, State of Alaska, and all members of the Alaska State Legislature.

PASSED AND APPROVED THIS 30TH DAY OF MAY, 1996.



Cheryl Kilgore
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC/AE
Municipal Borough Clerk

Ayes: Hove, Quakenbush, LaSota, Bartos, Parr and Kilgore
Noes: Logan, McBride, St. John and Chizmar



Alaska Association Secondary School Principals

Educational Leadership for Alaska's Future

1720 Otter Street • Anchorage, Alaska 99504-2634

(907) 333-9613 • Fax (907) 333-3060 • aassp@alaska.net

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Leslie VanderHoff
Assistant Principal at Large
Clark Middle School
Anchorage

Laurence N. Graham
Executive Director
Anchorage

RESOLUTION #96-9: SUPPORT FOR INCREASED TOBACCO TAX

SUBMITTED BY: Alaska Association of Secondary School Principals

WHEREAS 3,000 children become regular smokers each and every day; and

WHEREAS most smokers begin by age 15 and are addicted by age 18 and 84% of Alaskan adult smokers started smoking between the ages of 10 and 20 ; and

WHEREAS children and teenagers nationwide constitute 90% of all new smokers; and

WHEREAS as many as one-third of all children who become smokers will eventually die from smoking-related diseases; and

WHEREAS 80% of teen smokers want to and have tried to quit, but only 1.2% succeed; and

WHEREAS use of smokeless tobacco among young men has increased nearly 300% in the past 20 years; and

WHEREAS smokeless tobacco causes cancers of the gums, mouth, pharynx, larynx, and esophagus; and

WHEREAS Alaskan Natives suffer disproportionately from the burden of tobacco addiction and illness; and

WHEREAS higher tobacco prices have proven effective in reducing tobacco consumption, particularly among youth; and

WHEREAS Alaska has the sixth highest rate of smoking in the U.S. and the sixth highest rate of smoking-related deaths in the U.S. but has the 28th lowest state tobacco tax; and

WHEREAS the U.S. General Accounting Office has concluded that a 10% increase in the price of tobacco results in a 4% decrease in consumption among adults and a 10-14% decrease in consumption among youth; and

WHEREAS smokeless tobacco users are disproportionately young and economically disadvantaged, and therefore especially sensitive to tax increases; and

WHEREAS smoking-related death and disease cost the Alaska economy \$127.6 MILLION DOLLARS in 1991;

THEREFORE BE IT RESOLVED that the Alaska Association of Secondary School Principals supports a significant increase in the Alaska state excise tax on cigarettes and on other tobacco products; and

BE IT FURTHER RESOLVED that the Alaska Association of Secondary School Principals calls upon the Alaska Legislature to enact a significantly higher state excise tax on all forms of tobacco, and to ensure that this higher tax rate is regularly increased to keep pace with inflation.

APPROVED: 10/22/96

Citizens To Protect Kids from Tobacco

1057 W. Fireweed Lane, Suite 204 • Anchorage, Alaska 99503 • (907) 277-8696 • Fax: (907) 263-2073

January 8, 1997

The Honorable Johnny Ellis
The Alaska Senate
State Capitol
Juneau, Alaska 99801

Dear Senator Ellis:

Those of us working on the tobacco tax campaign would like to wish you a happy and productive new year and let you know that we look forward to working with you in 1997 to save thousands of lives in the years ahead.

Tobacco issues continue to make headlines in Alaska and around the country, with frequent news stories about proposed FDA regulation of tobacco and implementation of the Synar Amendment by state governments. This letter is intended to clarify that while such efforts are worthwhile, a major tobacco tax increase (\$1 per pack) is clearly the most effective tool we have to reduce tobacco use.

There is no "silver bullet" for ending the tobacco epidemic. A comprehensive approach that includes tax increases, media campaigns, innovative school programs, advertising restrictions, clean indoor air laws, and enforcement of youth access laws should be our goal.

The \$1 per pack tobacco tax increase must be the cornerstone of a comprehensive tobacco control strategy, and should be enacted first. In a report produced by a panel of experts, the National Cancer Institute concluded that "few measures exhibit the speed and magnitude of impact achieved by increasing taxation on tobacco products... Increasing tobacco excise taxes must be considered an essential and primary component of any comprehensive tobacco control program." The \$1 per pack tobacco tax increase will have immediate and dramatic impact on youth smoking and smokeless tobacco rates in every community in the state, without creating any financial drain on the state budget.

While there should be continuing efforts to enforce existing laws against selling tobacco to minors, reducing youth access to tobacco is easier said than done. The goal of the Division of Alcoholism and Drug Abuse is to increase vendor compliance to 80% (from the current rate of 64%), in keeping with the provisions of the federal "Synar" law. However, recent research conducted in Massachusetts shows that even when 80% of stores refuse to sell to minors, kids can still buy tobacco products. The researchers concluded that "compliance rates above 90% must be achieved before the youths in the community begin to have difficulty purchasing tobacco." While this is a worthwhile goal that we support, it is unlikely that we will be able to achieve it any time soon.



Alaska Native
Health Board



January 8, 1997

Page 2

Likewise, restricting tobacco sales to liquor outlets only, as some have proposed, makes a lot of sense but will be extremely difficult to achieve. Convenience stores typically make more than half their profits from tobacco sales. Any change in the law will be met with extreme resistance, with the tobacco industry providing financial support to the opposition. Again, the best option to reduce teen smoking is to pass the \$1 per pack tobacco tax increase.

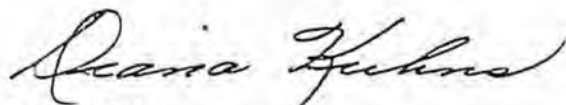
While valuable as part of a comprehensive effort, FDA regulation of tobacco products will not adequately address the tobacco epidemic in Alaska. Even if the regulations are implemented, they will not have the kind of dramatic impact on youth smoking that can be achieved through a major tobacco tax increase.

The proven effectiveness of tobacco taxation, the strong public support for the tax, and the fact that there is no cost to state government are all reasons to support the proposed \$1 per pack tax increase in Alaska. As the *Alaska Journal of Commerce* stated in an editorial last summer:

We can save thousands of lives in Alaska by protecting our kids from tobacco, and the best way to do that is to increase the state cigarette tax...It should be an easy choice and a no-lose situation. We can decrease the deaths from smoking while decreasing the dollars taken from the state savings account to support the budget, and we can reduce our future expenditures on health care.

Please feel free to contact us for more information. We look forward to talking with you soon.

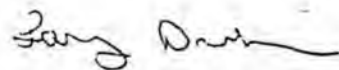
Sincerely,



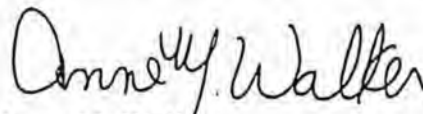
Diana Kuhns
Chief Operating Officer
American Cancer Society (Alaska)



Suzanne Meunier
Executive Director
American Heart Association (Alaska)



Larry Dickerson
Executive Director
American Lung Association (Alaska)



Anne M. Walker
Executive Director
Alaska Native Health Board