

THE  DEBATE

Raise N.Y. cigarette tax?

Yes, it'll cut the number of people who die of cancer, says advocate

By BERNIE HORN

Right now there is a proposal in Albany to raise the tobacco tax by \$1 per pack outside New York City and by 50 cents inside the city.

While there's no doubt the state will put the new money to good use, the most important reason to support the proposal is to save young people's lives.

Regardless of political party or ideology, Americans believe we have a responsibility to take reasonable steps to protect all of our young people. Isn't that what adults are for?

Across the state of New York, about 70,000 people under the age of 18 become regular smokers every year. One-third of them will die prematurely from diseases caused by tobacco. So it is literally a matter of life and death.

Public health authorities have amply documented that every 10% increase in the price of cigarettes causes about 7% of young people who smoke to quit. Across New York, the tobacco tax increase would prevent about 100,000 young people alive today from becoming addicted — and save more than 30,000 lives.

Of course, it would also cause tens of thousands of adults to stop smoking as well. As a bonus, the state would gain about \$300 million per year.

You might wonder, if raising tobacco taxes has so many benefits, wouldn't it be wildly popular across the nation? Well, it is. Since the beginning of 2002, 41 states and the District of Columbia have passed more than 50 separate state cigarette tax increases. Support for tobacco taxes has been bipartisan — 30 were signed into law by Republican governors and 22 were signed by Democrats.

While losing battle after battle, tobacco company spokesmen have made two basic arguments. First, they say a rise in tobacco taxes increases smuggling and tax evasion. Sure, but all major studies have shown that, compared to the benefits, these are relatively insignificant problems.

Second, they say that increased tobacco taxes are regressive, that they place an unfair burden on those who make less money. But they have it backward. It is the hazards of smoking that are regres-

sive — lower-income communities disproportionately suffer from smoking-related disease, disability and death.

Smoking is the leading preventable cause of death in the United States. So let's do what we can to stop it. Raise the tobacco tax.

Horn is policy director at the Center for Policy Alternatives, a nonpartisan group that focuses on state legislatures.

No, it's the wrong way to balance the budget, says ex-House leader

By DICK ARMEY

The war on smokers rages on. New York will soon be home to the highest cigarette tax in the nation if a proposed \$1-a-pack cigarette tax increase becomes law. The hike would put the total government tax at \$3.66 per pack in New York — and even higher in New York City. Being sold as a budget fix, this attempt to cover up excessive state spending must be stopped.

When it comes to the budget, New York has a spending problem, not a revenue problem. The state controller recently said that Gov. Pataki's proposed budget will put taxpayers in \$7.9 billion of red ink over the next two years.

Looking to cover this giant spending increase, the governor is turning on the state's smokers, optimistically estimating the tax hike will yield upward of \$300 million. But cigarette tax increases are an unstable and disappointing form of revenue — and New York knows this from experience. Today, four years since New York State and City raised their taxes to \$1.50

a pack, the state raises about 14% less from the cigarette tax than when the tax was lower.

If the \$1 cigarette tax hike is passed, a carton of cigarettes would cost \$19.29 more than in neighboring states and \$37.89 more than cigarettes found on the Internet. It would push even more consumers to the Internet or to bootleggers, further decreasing tax revenue. The Cato Institute found that in 2003 about half of all cigarettes consumed in New York City avoided state and city excises.

As consumers move to these alternative sources, convenience stores and gas stations — largely operated and owned by small businesses — lose sales, and the whole state economy suffers. Clearly a lose-lose situation.

The burden of this new tax will disproportionately fall on those who can least afford it, upping the annual tax burden on pack-a-day New York smokers — many of them low-income individuals — from \$970 to \$1,335.

It is hardly fair to enrich state coffers by penalizing the poor for their legal, private lifestyle choices. Public health arguments aren't a basis for equitable and pro-growth tax policy. If you accept that logic, then why not a safety tax on motorcycles and a fat tax on fried food?

Before Gov. Pataki attempts to cover the state's spending problems by passing the buck onto low-income smokers, he should recall recent history. He can only address the budget problem by controlling spending, not by blowing smoke at the taxpayers.

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