**Policy Statement**

**CLHO Committee:** Health Promotion & Prevention

**Policy Statement:** TheOregon Coalition of Local Health Officials advocates for a tax increase for cigarettes, inhalant delivery systems, and other tobacco products in order to prevent youth initiation and promote cessation and reduced consumption of tobacco products.

**Policy Positions:** CLHO supports legislation that:

* Increases the cigarette tax
  + The Oregon Coalition of Local Health Officials supports a $2.00 tax increase per pack of cigarettes with at least 10 percent of the new total revenue allocated to the Tobacco Prevention and Education Program (TPEP), and another 10 percent of the new total revenue dedicated to public health prevention activites outlined in the Public Health Modernization statutes.
* Enacts an inhalant delivery system tax
  + The Oregon Coalition of Local Health Officials advocates for taxing inhalant delivery systems as defined in ORS 431A.175; tax rates for these products should be at the same rates as other tobacco products. As with cigarette taxes, at least 10 percent of the total revenue allocated to the Tobacco Prevention and Education Program (TPEP), and another 10 percent of the total revenue dedicated to public health prevention activites outlined in the public health modernization statutes
* Creates tax parity for tobacco products
  + The Oregon Coalition of Local Health Officials advocates for tax parity, to ensure that other tobacco products like smokeless tobacco and little flavored cigars are taxed at rates similar to those imposed on cigarettes. The underlying concern is that, in the face of rising cigarette taxes, those that use tobacco may turn to lower priced alternatives rather than quit.

CLHO opposes legislation that does not raise the cigarette tax at least $1 per pack.[ get justification]

**Public Health Issue that Policy Statement is Addressing:**

* Tobacco use
* Youth initiation of tobacco products
* Cessation and reduced consumption

**Justification (data supporting the need to work on this issue):**

Tobacco Use in Oregon

Tobacco use is the number one preventable cause of death and disease in Oregon. Annually, tobacco use leads to nearly 8,000 deaths and costs the state $2.5 billion in medical expenses and lost productivity.1 Approximately 17% of Oregon adults smoke cigarettes; however, smoking rates are higher among African Americans (33%), American Indians, and Alaska Natives (35%) than among whites (21%).1 Tobacco use also varies by income and education. More than one in three Oregonians who make less than $15,000 per year smoke (39%), compared to one in 10 who make more than $50,000 per year (9%).1 Oregonians with less than a high school education are nearly four times more likely to smoke, compared to those with a college degree (33% vs. 7%). 1

Most addiction to tobacco starts in adolescence; nine out of 10 adults who smoke report initiating before turning 18.[[1]](#endnote-1) Studies show that the younger someone is when they start smoking, the harder it is to quit.[[2]](#endnote-2), [[3]](#endnote-3)

Between 1996 and 2015, smoking among 11th-graders declined by 72% and among 8th-graders by more than 86%. However, the use of other tobacco products (e.g., e-cigarettes and other inhalant delivery systems) is increasing even while cigarette use by Oregon’s youth is declining. In Oregon, e-cigarette use among 11th-graders increased three-fold from 2013 to 2015 from 5% to 17%. E-cigarettes and other inhalant delivery systems have few restrictions on marketing, flavors, and price.1

Raising Cigarette Taxes

Increasing the cost of cigarettes is one of the most powerful interventions to reduce tobacco use.[[4]](#endnote-4) Significant increases in tobacco taxes and prices reduce tobacco use by leading some current users to quit, preventing young people from initiating use, and reducing consumption among current users who do not quit.[[5]](#endnote-5)

Every 10 percent increase in the real price of cigarettes reduces overall consumption by about 4% and about 7% among youth.[[6]](#endnote-6) Cigarette price and tax increases work even more effectively to reduce smoking among African Americans, Hispanics, and lower-income smokers.[[7]](#endnote-7)

A cigarette tax increase that raises prices by 10 percent also reduces smoking among pregnant women by 7%. Maternal smoking during pregnancy is a preventable cause of sudden infant death syndrome and a risk factor for spontaneous abortion and ectopic pregnancy.[[8]](#endnote-8)

Increasing taxes on cigarettes and tobacco products also provides substantial revenue to fund important health and tobacco prevention programs. Compared to other states, Oregon’s current cigarette tax ranks 30th in the country.[[9]](#endnote-9) As of January 1, 2018, the cigarette tax rate is $1.33 per 20-pack or $.0665 per cigarette with only 5.77 % of the total revenue allocated to tobacco and chronic disease prevention.[[10]](#endnote-10)

Taxing cigarettes at an additional $2.00 per pack and dedicating a portion of the new total cigarette tax revenue to TPEP and the Public Health Division would fund Oregon at the recommended best practice level to provide a statewide tobacco control strategy and substantially reduce tobacco-related disease, disability, and death. Since the beginning of the Oregon TPEP program, state resources for tobacco prevention have never been higher than one-quarter of the funding level recommended by the Centers for Disease Control and Prevention. Using cigarette tax or other revenues to fund a comprehensive tobacco control program results in greater reductions in tobacco use than result from a cigarette tax increase alone.

Inhalant Delivery System Tax

Most e-cigarettes and other inhalant delivery systems contain nicotine, which is an addictive drug harmful to health. With the increase in use of e-cigarettes and other inhalant delivery systems among youth in Oregon, there is growing concern about new nicotine addiction and future initiation of traditional cigarettes (see Tobacco Use in Oregon section). According to the Surgeon General, e-cigarette use is strongly associated with use of other tobacco products among youth and young adults, including traditional tobacco products.13 Nicotine exposure can also harm childhood brain development in ways that may affect health and mental health. [[11]](#endnote-11)

E-cigarettes and other inhalant delivery systems companies appear to be using many of the advertising tactics the tobacco industry used to addict new users. E-cigarettes have few restrictions on marketing, flavors and price, which increases their appeal among youth. The presence of flavor in e-cigarettes appears to be one of the main reasons that youth start using.13

Decreasing the prevalence of e-cigarette and other inhalant delivery system use reduces nicotine addiction and the risk that young people will transition to traditional tobacco products. Increasing the price of e-cigarettes and other inhalant delivery systems through tax is one way to decrease initiation by new users and decrease consumption by current users, especially among youth, as they are the most price-sensitive consumers. Currently, e-cigarettes and other inhalant delivery systems are not taxed in Oregon.

When regulating inhalant delivery systems, it is recommended to treat e-liquids like tobacco products and tax them at a similar rate as cigarettes and other tobacco products for the following reasons:

* Most e-liquids contain nicotine derived from tobacco and are tobacco products.[[12]](#endnote-12)
* Excluding inhalant delivery systems from tobacco taxes unintentionally discounts the cost of using inhalant delivery systems and liquids, which could lead to higher initiation rates and increased use. Maintaining tax parity across all tobacco products addresses this problem.
* Studies have not shown e-cigarettes and other inhalant delivery systems and liquids to be effective tobacco cessation products.[[13]](#endnote-13)

Rather than only taxing e-liquids that contain nicotine, it is recommended to tax all e-liquids, regardless of nicotine content, and all parts necessary for operation of inhalant delivery systems for the following reasons: [[14]](#endnote-14)

* E-cigarette aerosol can contain substances that harm the body, including cancer-causing chemicals and tiny particles that reach deep into the lungs.[[15]](#endnote-15)
* It is difficult to determine which products contain nicotine and at which levels, making enforcement a challenge. Currently, there are no ingredient disclosure requirements for e-cigarettes and other inhalant delivery systems at the federal level and tests have shown significant inconsistencies between the amount of nicotine claimed to be in a product and the actual amount. [[16]](#endnote-16) Since testing all products at the retail level is simply not feasible, we should presume that all products contain nicotine unless proven otherwise.
* There is a wide variety of products on the market, including disposable e-cigarettes, refillable devices in a variety of sizes and shapes, flavored e-liquids, cartridges, etc. Taxing all essential components would ensure that refillable devices sold at convenience stores, as well as the mix and match component parts that are often sold separately at vape shops are included.

As with the cigarette tax, taxing inhalant delivery systems and dedicating a portion of the new total tax revenue to TPEP and the Public Health Division would fund Oregon at the recommended best practice level to provide a statewide tobacco control strategy and substantially reduce tobacco-related disease, disability, and death. Using tobacco tax or other revenues to fund comprehensive tobacco control program results in greater reductions in tobacco use than result from a cigarette tax increase alone.

**Role of Local Public Health (promising practice/evidenced-based work):**

Local Public Health Departments (LPHD) are charged with protecting the health of Oregonians. Increasing the price of tobacco through tax is one of the most effective interventions to reduce tobacco prevalance.

Oregon pre-empts local jurisdictions from implementing their own tobacco tax; therefore, state action is all the more important. LPHD’s can educate local and state decision-makers on the importance of increasing the price of tobacco at the State level to help build a movement for change.

Local Public Health Departments can also help support additional price approaches through the following avenues:

* Prohibit the use of coupons, rebates, and other discounting practices for tobacco products, including inhalant delivery systems. [[17]](#endnote-17)
* Expand The Family Smoking Prevention and Tobacco Control Act [[18]](#endnote-18) and the deeming regulation to prohibit free and nominal cost sampling of e-liquids that do not contain nicotine. Determining which products contain nicotine and which do not is a significant enforcement challenge.
* Regulate the minimum pack size and minimum price of tobacco products. Larger pack sizes are less accessible to all users, especially price-sensitive youth.[[19]](#endnote-19)
* Impose a local tax on inhalant delivery systems and dedicate revenue to Local Public Health.[[20]](#endnote-20) There is currently no pre-emption at the state or federal level for the taxation of inhalant delivery systems.

**Connection to Modernization Manual Foundational Programs/Capabilities:**

Foundational Programs:

Health Promotion & Prevention

Foundational Capabilities:

Policy & Planning

Health Equity

**References**

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