

26 February 2025

Dustin Holfinger Ohio House Ways & Means Committee HB 96 – Interested Party American Heart Association Budget requests

Maintain Proposed Increase to Ohio's Excise Tax on Cigarettes of \$1.50/pack

- Current rate \$1.60/pack 29th highest in US.
 - o An increase of \$1.50 would put Ohio at \$3.10/pack, placing us in the top 10.
 - An increase of at least \$1.00/pack (\$2.60/pack total) would put Ohio on par with Pennsylvania (15th highest in US)
- The last increase to this tax was in 2015. (\$.35/pack) Increases in the price of tobacco products lead to substantial reductions in tobacco use for both youth and adults.
 - o Tax increases below \$1.00 are easily offset by discounts, coupons, and BOGO offers that tobacco companies use to offset the increase.
 - Research shows that to lower smoking rates and change behavior, individual tobacco tax increases must be \$1.00 or more per pack.

(Links to studies below)

- State Tobacco Tax Increases: Explanations and Sources for Projections of New Revenues & Benefits
- Do cigarette prices motivate smokers to quit? New evidence from the ITC survey

Maintain Tax Parity among Traditional Cigarettes and Other Tobacco Products (OTP)

- The AHA would ask that the legislature maintain DeWine's requested increase of OTP to 42% of wholesale price.
 - Other tobacco products are any tobacco products, other than cigarettes, which are used for smoking or chewing, or both, and snuff. This includes, but is not limited to, cigars, snuff, pipe tobacco, cigarette tobacco, blunt wraps, and chewing tobacco.
 Cigarette papers are not considered other tobacco products.
- Currently, "Other Tobacco Products" are taxed at 17% of wholesale price
 - The last increase to this rate was in 1993.
 - This would send a message about the dangers of these products and put them on par with the proposed traditional cigarette tax level of \$3.10/pack.

There is strong evidence that raising tobacco taxes decreases usage rates. Here's a breakdown of the key findings:

• **Reduced Smoking Rates:** Studies consistently show that increasing cigarette taxes leads to a significant decrease in smoking rates among both adults and youth. When cigarettes become more expensive, people are less likely to buy them.

- **Discouraging Youth Smoking:** Higher prices make cigarettes less affordable, especially for young people who have limited income. This discourages them from starting to smoke in the first place.
- **Motivating Smokers to Quit:** Price increases can be a powerful motivator for smokers to quit. When faced with the higher cost, many smokers are more likely to seek help with quitting or make a serious attempt to quit on their own.
- **Reduced Secondhand Smoke Exposure:** Lower smoking rates mean less secondhand smoke in public places, which protects non-smokers, especially children, from the harmful effects of tobacco smoke.