

### Message 1: Tobacco Taxes are the Single Most Effective Way to Reduce Tobacco Use, Improve Public Health, and Save Lives.

- a. The most direct and effective method for reducing tobacco consumption is to increase the price of tobacco products through tax increases. Higher tobacco prices encourage cessation among existing tobacco users, prevent initiation among potential users, and reduce the quantity of tobacco consumed among continuing users.
- b. Higher tobacco taxes are effective at reducing smoking rates among vulnerable populations such as youth and low-income smokers.
  - Every 10% increase in prices shows an overall cigarette prevalence reduction by about 4% or 5%.
  - Tobacco Taxes reduce youth smoking by about 6% and prevent young people from initiating smoking.
- c. Keeping tobacco products cheap is a core industry strategy to increase the overall consumption of tobacco products, lure youth to addiction, and make it harder for smokers to quit.
  - Tobacco is cheap and getting cheaper, especially compared to staple products like food and clothing.
  - Tobacco prices are kept low in targeted countries to spur a new generation of addiction.
- d. Tobacco use is the leading cause of preventable deaths globally, accounting for about 8 million deaths each year.
  - Tobacco use is the world's leading cause of preventable death, killing more than eight million people worldwide and causing more than \$1.4 trillion in health care expenses and other economic harm each year.
  - Tobacco use is the only risk factor shared by all four main categories of NCDs, - cancer, heart disease, chronic lung disease and diabetes - and accounts for nearly one in six deaths from NCDs.
  - Tobacco consumption causes more deaths annually than the combined toll of HIV/AIDS, TB, and malaria.

### Message 2: Well-designed Tobacco Taxes Counter the Negative Impacts of Tobacco on Our Economy and Drive Significant Public Benefits

- a. Tobacco addiction imposes huge costs for government, businesses and individuals. Tobacco use increases healthcare costs and results in lost worker productivity and wages due to tobacco-related disease, morbidity and mortality.
- b. Cheap tobacco devastates family finances, particularly among low-income households.
  - Tobacco addiction drains money from low-wage workers and impacts household budgets for essential items like food, clothing and education.
  - Tobacco-related diseases increase personal healthcare costs and decrease earnings, exacerbating issues of poverty for low-income households.

- c. Tobacco taxes are an effective and immediate revenue source and have minimal economic impact.
  - Tax increases directly benefit governments through increased revenues.<sup>6</sup> Every nation and sub-national entity that has significantly increased its tobacco tax has enjoyed substantial increases in revenue, even while reducing smoking.
  - There is considerable potential for tobacco taxation to generate much-needed financing for development and health programs, particularly in low- and middle-income countries.
  - The tobacco industry's claims of taxes resulting in job losses are overstated. Tax increases have been shown to have a minimal effect on overall employment.
- d. For tobacco taxes to be effective, they must result in an immediate and significant increase in prices for most products on the market.
  - Tobacco use rates decline the most when taxes result in a dramatic and immediate increase in product prices.
  - While nearly all countries tax tobacco products, an excise tax is the most important type of tobacco tax, since it applies uniquely to tobacco products and raises prices relative to those of other goods and services.
  - Simpler tobacco tax structures are more effective than complex (tiered) ones which are difficult to administer and can undermine the health and revenue impacts of tobacco excise taxes.

**Message 3: Tobacco companies strongly oppose tobacco taxes because they know taxes effectively reduce tobacco use and the companies' profits.**

- a. The industry has a documented pattern of interfering with tax policies including pressuring public officials, subverting legislation, and presenting legal challenges to delay processes.
- b. The tobacco industry's claims on illicit trade and tax revenue loss are not credible. Tobacco companies are involved in or complicit in illicit trade.
- c. The tobacco industry uses retailers, tobacco farmers, hospitality workers and others as puppets to fight tobacco tax increases when the reality is taxes have a neutral impact on overall employment.

**Message 4: The public wants government to raise tobacco taxes. Policy makers and government officials can benefit by implementing this popular policy.**

- The public wants leaders to prioritize their health and well-being, not tobacco industry profits.
- Tax policies that reign in the tobacco industry are a popular and effective means to generate revenue.
- Higher tobacco taxes shift company profits to government revenues, which can be allocated to further tobacco control efforts and other critical health and development needs.