



July 16, 2021

The Honorable Raja Krishnamoorthi
United States House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
United States House of Representatives
Washington, DC 20515

Dear Representative Krishnamoorthi and Representative DeLauro:

We are writing to express our strong support for H.R. 2786, the Tobacco Tax Equity Act of 2021, which would increase the federal excise tax on cigarettes and set federal tax rates for other tobacco products at an equivalent level. This legislation would generate substantial benefits to public health by helping prevent young people from starting to use tobacco products and helping current users to quit. At the same time, it would increase federal revenues, including by closing existing tax loopholes that have created incentives for tax avoidance.

Our organizations strongly support increasing and equalizing tobacco taxes. The evidence is clear that raising tobacco prices, including through higher taxes, is one of the most effective ways to reduce tobacco use, especially among youth, who are more sensitive to changes in price than adults. Decades of economic studies and Surgeon General reports show that significantly increasing the prices of tobacco

products can reduce and prevent youth use of tobacco products. We estimate that the bill's doubling of the federal cigarette tax would reduce the number of adult smokers by 1.1 million in the first year and would, over time, avoid 250,000 smoking-related premature deaths. It would also prevent 507,000 kids alive today from becoming smokers, which would further reduce smoking-related disease and premature death.

Increasing tobacco taxes will also help reduce health disparities. Americans with lower levels of education and income disproportionately experience the substantial health and financial burdens of smoking. The U.S. Centers for Disease Control and Prevention, the Task Force on Community Preventive Services, the World Health Organization, and other health experts recognize that these individuals will be more likely to quit due to a tobacco tax increase. Nearly half of the lives saved due to smoking reductions from the most recent federal tobacco tax increase in 2009 will be among those below the poverty line.

The federal tobacco tax code has not kept up with the latest generation of tobacco products on the market. E-cigarettes, which are currently not taxed at the federal level, are by far the most popular tobacco product among youth, and the U.S. Surgeon General and the Food and Drug Administration have called youth use of e-cigarettes an "epidemic." In 2020, 3.6 million middle and high school students were currently using e-cigarettes, including 19.6 percent of high school students. In 2018, the Surgeon General called for "aggressive steps to protect our children from these highly potent products that risk exposing a new generation of young people to nicotine." The federal tax on e-cigarettes that your bill would establish is a long overdue response to the youth e-cigarette epidemic.

Furthermore, the current federal tobacco tax code contains loopholes that have created incentives for tax avoidance. The Government Accountability Office (GAO) has highlighted how certain manufacturers have avoided paying higher taxes on roll-your-own tobacco by re-labeling the product as "pipe" tobacco, which is taxed at substantially lower rates under the current tax code. The GAO also noted that some manufacturers have avoided the higher tax rates for cigarettes and small cigars by slightly modifying their products to qualify as large cigars. The GAO estimates that federal revenues lost as a result of these two loopholes ranged from \$2.6 billion to \$3.7 billion from April 2009 through February 2014. By equalizing tax rates for all tobacco products, your bill would eliminate existing tax loopholes and generate additional revenue.

Federal tobacco tax rates have not increased in more than a decade, and the tobacco product landscape has changed significantly during this time. It is long past time that we implement this evidence-based policy again to reduce tobacco use and save lives. We applaud the introduction of this bill and appreciate your support for reducing tobacco's terrible toll on our nation's health.

Sincerely,

AASA, The School Superintendents Association
African American Tobacco Control Leadership Council
American Academy of Family Physicians
American Academy of Nursing
American Academy of Oral and Maxillofacial Pathology
American Academy of Oral and Maxillofacial Radiology
American Academy of Otolaryngology- Head and Neck Surgery
American Academy of Pediatrics

American Association for Respiratory Care
American Cancer Society Cancer Action Network
American College Health Association
American College of Cardiology
American Dental Association
American Heart Association
American Lung Association
American Public Health Association
American Society of Addiction Medicine
American Thoracic Society
Association for the Treatment of Tobacco Use and Dependence
Association of Black Cardiologists
Association of Schools and Programs of Public Health
Association of State and Territorial Health Officials
Asthma and Allergy Foundation of America
Big Cities Health Coalition
Black Women's Health Imperative
Campaign for Tobacco-Free Kids
Catholic Health Association of the United States
Center for Black Equity
ClearWay Minnesota
Commissioned Officers Association (COA)
Commissioned Officers Foundation of the U.S. Public Health Service, Inc.
COPD Foundation
Counter Tools
Eta Sigma Gamma – National Health Education Honorary
Family, Career and Community Leaders of America (FCCLA)
First Focus Campaign for Children
GO2 Foundation for Lung Cancer
League of United Latin American Citizens (LULAC)
National Association of Pediatric Nurse Practitioners
National Association of School Nurses
National Association of Social Workers
National Black Nurses Association
National Center for Health Research
National LGBT Cancer Network
National Medical Association
Oncology Nursing Society
Parents Against Vaping e-cigarettes (PAVe)
Prevent Cancer Foundation
Students Against Destructive Decisions (SADD)
The Society of State Leaders of Health and Physical Education
The Society of Thoracic Surgeons
Trust for America's Health