

THE UNIVERSITY OF KANSAS
CANCER CENTER

TO: Chairman Johnson
Members of the House Taxation Committee

FROM: Roy A. Jensen, M.D., Director

RE: HB 2231

DATE: March 15, 2018

Chairman Johnson and Members of the House Taxation Committee,

Thank you for the opportunity to present testimony to the committee regarding the impact of a tobacco tax increase in Kansas. I am Dr. Roy Jensen, director of The University of Kansas Cancer Center, and I want to draw attention to a significant public health issue in Kansas: one that needs immediate attention and must not be delayed. Cancer is one of the leading causes of death in our state, killing more than 5,600 Kansans each year. The biggest culprit is lung cancer, one of the most preventable types of cancer. Most of these people die for one reason alone: they smoked cigarettes.

As a National Cancer Institute (NCI)-designated cancer center, KU Cancer Center must demonstrate that we are significantly improving the health of Kansans and reducing the cancer burden in our region. One way we can dramatically cut their chances of developing cancer is by helping them to stop smoking. It is also one of our biggest challenges.

Increasing the tax on all tobacco products is the single most important thing we can do to improve the health of Kansans.

Kansas tobacco facts

- Tobacco is the number one cause of preventable death in Kansas.
- Every year, 4,400 Kansans die from smoking.
- 10.2 percent of high school students smoke.
- 18.7 percent of high school students have used at least one form of tobacco. This includes cigarettes, spit or smokeless tobacco, cigars, pipes and other forms of smoked tobacco.
- 17 percent of Kansas adults smoke, compared to the national average of 15.1 percent.

Why does tobacco use matter to KU Cancer Center?

Tobacco prevention and smoking cessation efforts are a significant component of the Cancer Center's pursuit of NCI Comprehensive Cancer designation. Research shows that 31 percent of all cancers could be eradicated if people no longer smoked. As part of our prevention efforts for Comprehensive designation, we are committed to educating the public on the dangers of tobacco use. It is our goal to see a 20 percent decrease in tobacco use over the next 15 years.



In addition to prevention and education, increasing tobacco taxes is a proven way to reduce tobacco use in our state. A \$1.50 cigarette tax increase would prevent:

- 13,900 youth from becoming adult smokers
- 18,600 adults from continuing to use tobacco
- 9,000 premature smoking-caused deaths
- 3,400 smoking-affected pregnancies and births in the next five years

A tobacco tax makes financial sense.

A \$1.50 tax increase on tobacco products would generate \$107 million in annual state revenue for fiscal year 2019, providing a significant and reliable source of revenue to the state.

Kansas spends more than \$1.12 billion each year on tobacco-related health care costs. \$237.4 million comes directly from taxpayers through the state Medicaid program. Savings over the next five years from reduced smoking rates:

- \$3.49 million – fewer lung cancer cases
- \$8.86 million – fewer smoking-affected pregnancies
- \$7.48 million – fewer smoking-caused heart attacks and strokes
- \$1.72 million – KanCare savings

That is a long-term health care costs savings of \$671.05 million.

Sustainability of revenue and cross-border sales

Higher cigarette taxes are a reliable source of revenue to help balance budgets and fund critical health care and other services. In addition, higher cigarette taxes save money by reducing tobacco-related health care costs. Every state that has significantly increased its cigarette tax has enjoyed substantial increases in revenue, even while reducing smoking. Put simply, after a cigarette tax increase, the revenue gains on each cigarette pack sold far outweigh the revenue losses from declines in total cigarette sales.

The statement that an increase in the tax will drive Kansans over the border to make purchases is simply inaccurate. In fact, research shows that nearly 70 percent of current smokers want to quit smoking. Most smokers will not travel out of their way to purchase cigarettes. Nebraska and Oklahoma legislatures are also actively considering a \$1.50 per pack tax increase this year.

The proposed tax increase on tobacco is an opportunity to improve so much in our state. Based on the above data, it is clear a tobacco tax makes fiscal sense. More importantly, it makes sense for the health of Kansans and reducing the burden of cancer for your constituents.