

## **Board Resolution – In Support of an Increase in the State Cigarette Tax**

September 2024

**WHEREAS**, the Oklahoma Tobacco Settlement Endowment Trust (TSET) was created by voters in 2000 and has a constitutional mandate to support strategies and programs designed to maintain or improve the health of Oklahomans; and

**WHEREAS**, TSET also has a constitutional mandate to support cost-effective tobacco prevention and cessation programs and policies; and

**WHEREAS**, smoking is the leading cause of preventable death in Oklahoma, leading to 7,500 deaths each year; and

**WHEREAS**, smoking costs the state of Oklahoma \$283 million in Medicaid costs, \$1.88 billion in annual health care costs and \$4.5 billion in productivity losses each year; and

**WHEREAS**, enacting a tax on tobacco products is one of the most effective ways to reduce tobacco use and save lives and this fact is supported by Oklahoma's own experience; and

**WHEREAS**, after the state legislature approved a \$1 increase per pack in 2018, there was a 23% decline in cigarette tax stamps sold from FY 2017 to FY 2021; and

**WHEREAS**, in 2004, the tobacco tax in Oklahoma went up by 80 cents per pack leading to a 26% decline in cigarette tax stamps from FY 2004 to FY 2010; and

**WHEREAS**, while cigarette tax increases reduce smoking rates and per-capita consumption, they also decrease youth initiation of tobacco use because youth typically alter purchase behavior when prices go up; and

**WHEREAS**, preventing youth initiation of tobacco use is a key tactic for reducing tobacco use and giving young Oklahomans the greatest opportunity for a healthy future.

**BE IT THEREFORE RESOLVED**, the TSET Board of Directors calls on the Oklahoma Legislature to:

- Pass a meaningful increase in the state cigarette tax;
- Increase taxes on other tobacco products;
- Ensure that the state tobacco tax applies to new and emerging tobacco and nicotine products, including vapes and e-cigarettes.

**FURTHERMORE, THE TSET BOARD OF DIRECTORS** also calls upon other interested groups and governing bodies to adopt similar resolutions in support of increased cigarette and tobacco taxes to reduce adult tobacco consumption and youth initiation of tobacco use.