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April 8, 2003

Re: Senate Bill 461

To the Members of the Senate Taxation Committee:

Good afternoon Mr. Chairman and Members of the Committee, for the record, my name is Buffy Martin and I am representing the American Cancer Society. Thank you for the opportunity to testify in support of Senate Bill 461.

Increasing state tobacco taxes is good public health policy, particularly as states face growing budget deficits. A tobacco tax increase will save lives, raise revenue, and help prevent children from starting a deadly habit.

Nearly 90% of smokers start at or before age 18. Over 3,000 teenagers begin smoking every day, and at least 1/3 of them will die from a tobacco related disease. Studies show that youth are two to three times more price sensitive in their demand for cigarettes than adults. Thus, increasing cigarette prices is one of the most effective policy measures available to reduce youth smoking.

An increase in tobacco excise tax would also help alleviate our budget crisis. The annual health care expenditures in Nevada directly related to tobacco are estimated at \$440 million per year. Tobacco use accounts for \$96 million in state Medicaid programs alone each year. In 2001, Nevada generated \$61.2 million in tobacco excise taxes. That is \$34.8 million less than what the state spent just on tobacco related Medicaid program payments.

As a Nevada lawmaker, you are responsible for making difficult decisions that will affect the citizens of our state. Senate Bill 461 provides a rare opportunity for you to vote to increase a tax that will not only raise vital income for our state, but will also benefit the health of Nevadans, especially our youth.

On behalf of the American Cancer Society, and our 6,000 state wide volunteers, we urge you to vote to support Senate Bill 461.

Thank you.

Sincerely,

Buffy Gail Martin
Buffy Gail Martin

Director of Government Relations - Nevada

EXHIBIT I Committee on Taxation

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