



The great cigarette-tax lie

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New York's highest-in-the-nation cigarette taxes are failing to drive down smoking rates; instead, they're just putting a heavy extra burden on poor New Yorkers. A new study funded by the state's Department of Health confirms these ugly facts.

Yes, the public-health establishment insists that every hike in cigarette taxes results in fewer people smoking. But it's not true: Extensive research shows that high "butt taxes" are a major public-health mistake that punishes the poor without reducing smoking.

Today, smokers are mostly lower income and younger people. But neither of these overlapping groups is smoking less — and both groups are poorer, thanks to cigarette taxes.

The state-funded study found that cigarette taxes hurt poorest smokers the most — that is, they're "regressive," the term economists use to describe a tax that hits harder on lower-income folks.

For this study, Research Triangle Institute researchers surveyed more than 13,000 people (focused on New York, but with a national sample as well) to investigate the impact of high cigarette taxes on different income levels. They found that low-income smokers (individuals in families making less than \$30,000 a year) spent an average of 23.6 percent of annual family income on cigarettes, way up from 11.6 percent in 2004.

In stark contrast, smokers in families making over \$60,000 a year spent an average of just 2.2 percent of their family income on cigarettes.

Despite New York's several butt-tax hikes over the past decade, the study found *no* decline in smoking among low-income smokers. The lead researcher, Dr.

Matthew Farrelly, openly conceded, “It may be that raising [cigarette] taxes does not work well for low-income smokers.”

Most recently, there is strong evidence from France that higher cigarette taxes haven't dampened youth smoking. On the contrary, in tandem with a tobacco advertising ban, higher taxes have made teen smoking cooler than ever.

In fact, many other studies have reached similar findings. A very large body of research evidence from a variety of countries suggests high taxes fail to reduce total smoking.

Yes, smoking is down — but not because of taxes. In the decades since the 1964 Surgeon General's Report, greater knowledge of smoking's impact on health has led many to quit, and more to never start smoking; and of course most people are more health-conscious than half a century ago. But the drop has been overwhelmingly among middle- and upper-class people.

Why *don't* higher taxes reduce smoking? We don't know for sure, but social scientists have documented some factors. First, higher taxes promote illicit trade in cigarettes (both smuggling and counterfeiting), especially among the poor. And, second, a good many lower-income smokers respond to higher butt taxes by cutting back elsewhere — as the New York study demonstrates yet again.

In other words, lower-income smokers don't respond the way the elite public-health establishment thinks they should.

Why does the policy debate continue on as if they do? Well, the political and media classes trust the anti-tobacco crusaders — who are too caught up in their cause to admit failure.

And academics have no incentive to publicize their “counterintuitive” findings; it would only win them scorn and charges of somehow being in the pocket of Big Tobacco. (The authors of the New York study are both displeased with and puzzled by their findings.)

So arrogant politicians like Mayor Bloomberg continue with their tax-to-the-max, relying on “experts” who tell them what they want to hear, with propaganda dressed up as science.

The public-health elitists' attitude seems to be (with apologies to H.L. Mencken) that smokers deserve the taxation they get — and they deserve to get it good and hard.

Yet these taxes fail any test of sensible public health policy. They are unjustified by the scientific evidence and morally compromised by their harmful impact on the

disadvantaged — exactly the sort of policy to be avoided by any government that is either wise or good.

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