

# CAMPAIGN for TOBACCO-FREE Kids<sup>®</sup>

## PREGNANCY-RELATED BENEFITS AND COST SAVINGS FROM RAISING CIGARETTE TAXES

State	Pregnant Smoking Rate	Pregnant Smoking Rank (1 = low)	Smoking-Affected Births Each Year	Related Health Costs Each Year (millions)	Current Cigarette Tax (cents/pack)	Cigarette Tax Rank (1 = high)	Proposed Tax Increase (per pack)	Pregnant Smoking Decline	Fewer Smoking-Affected Births Over 5 Years	Related 5-Year Cost Savings (millions)	Increased Annual State Cig. Tax Revenue (millions)
Alabama	12.6%	21st	7,600	\$8.7	16.5	47th	50¢	11.1%	4,200	\$4.8	\$169.25
Alaska	17.4%	37th	1,700	\$1.9	100	12th	50¢	8.1%	700	\$0.8	\$16.71
<b>Arizona</b>	6.8%	3rd	5,800	\$6.6	118	11th	50¢	8.3%	2,400	\$2.8	\$101.51
<b>Arkansas</b>	18.6%	43rd	6,800	\$7.8	59	26th	50¢	9.9%	3,400	\$3.9	\$95.22
California	NA	NA	NA	NA	87	19th	50¢	9.1%	NA	NA	\$496.01
Colorado	9.1%	11th	6,000	\$6.9	20	43rd	50¢	11.6%	3,500	\$4.0	\$125.91
<b>Connecticut</b>	7.4%	4th	3,100	\$3.5	151	1st	50¢	7.8%	1,200	\$1.4	\$78.41
<b>Delaware</b>	13.2%	27th	1,400	\$1.6	55	29th	50¢	11.0%	700	\$0.9	\$43.64
<b>DC</b>	3.7%	1st	280	\$0.3	100	12th	50¢	8.9%	100	\$0.1	\$9.80
Florida	9.1%	11th	18,700	\$21.4	33.9	41st	50¢	11.1%	10,400	\$11.9	\$553.35
<b>Georgia</b>	8.3%	8th	11,000	\$12.6	37	37th	50¢	10.7%	5,900	\$6.7	\$288.75
<b>Hawaii</b>	7.6%	6th	1,200	\$1.4	130	7th	50¢	8.0%	500	\$0.5	\$24.41
<b>Idaho</b>	10.1%	15th	2,000	\$2.3	57	27th	50¢	10.9%	1,100	\$1.2	\$30.47
<b>Illinois</b>	10.5%	17th	19,300	\$22.0	98	17th	50¢	9.2%	8,900	\$10.2	\$337.55
<b>Indiana</b>	20.2%	46th	17,400	\$19.9	55.5	28th	50¢	10.5%	9,100	\$10.5	\$281.36
Iowa	17.4%	37th	6,500	\$7.4	36	38th	50¢	11.4%	3,700	\$4.2	\$103.82
<b>Kansas</b>	13.1%	26th	5,000	\$5.7	79	20th	50¢	9.8%	2,400	\$2.8	\$78.16
Kentucky	24.0%	49th	13,100	\$15.0	3	50th	50¢	12.8%	8,400	\$9.6	\$216.96
<b>Louisiana</b>	10.1%	15th	6,600	\$7.5	36	38th	50¢	11.4%	3,700	\$4.3	\$183.46
Maine	17.6%	39th	2,400	\$2.7	100	12th	50¢	8.9%	1,000	\$1.2	\$40.29
<b>Maryland</b>	8.8%	10th	6,400	\$7.3	100	12th	50¢	9.3%	3,000	\$3.4	\$115.44
<b>Massachusetts</b>	9.3%	14th	7,500	\$8.6	151	1st	50¢	7.6%	2,800	\$3.3	\$125.89
<b>Michigan</b>	15.7%	32nd	20,900	\$23.9	125	9th	50¢	8.5%	8,900	\$10.2	\$286.94
Minnesota	11.4%	20th	7,700	\$8.8	48	34th	50¢	10.7%	4,100	\$4.7	\$147.35
Mississippi	12.6%	21st	5,300	\$6.1	18	45th	50¢	11.9%	3,100	\$3.6	\$114.13
Missouri	18.3%	41st	13,800	\$15.8	17	46th	50¢	11.9%	8,200	\$9.4	\$234.67

State	Pregnant Smoking Rate	Pregnant Smoking Rank (1 = low)	Smoking-Affected Births Each Year	Related Health Costs Each Year (millions)	Current Cigarette Tax (cents/pack)	Cigarette Tax Rank (1 = high)	Proposed Tax Increase (per pack)	Pregnant Smoking Decline	Fewer Smoking-Affected Births Over 5 Years	Related 5-Year Cost Savings (millions)	Increased Annual State Cig. Tax Revenue (millions)
<b>Montana</b>	18.3%	41st	2,000	\$2.3	70	22nd	50¢	10.0%	1,000	\$1.1	\$24.65
<b>Nebraska</b>	14.9%	31st	3,600	\$4.1	64	24th	50¢	9.7%	1,700	\$2.0	\$53.55
Nevada	11.0%	19th	3,400	\$3.9	35	40th	50¢	11.4%	1,900	\$2.2	\$69.71
New Hampshire	14.7%	30th	2,100	\$2.4	52	33rd	50¢	10.5%	1,100	\$1.3	\$65.46
<b>New Jersey</b>	9.1%	11th	10,500	\$12.0	150	3rd	50¢	8.0%	4,200	\$4.8	\$174.35
<b>New Mexico</b>	10.5%	17th	2,800	\$3.2	91	18th	50¢	9.2%	1,300	\$1.5	\$32.09
<b>New York</b>	8.7%	9th	22,100	\$25.2	150	3rd	50¢	6.4%	7,100	\$8.1	\$326.39
North Carolina	14.0%	29th	16,500	\$18.8	5	49th	50¢	12.4%	10,200	\$11.7	\$275.27
North Dakota	16.8%	35th	1,200	\$1.4	44	35th	50¢	10.4%	600	\$0.7	\$18.66
<b>Ohio</b>	19.1%	44th	28,900	\$33.0	55	29th	50¢	10.5%	15,100	\$17.3	\$424.56
Oklahoma	17.9%	40th	8,900	\$10.2	23	42nd	50¢	11.8%	5,200	\$6.0	\$150.31
<b>Oregon</b>	12.8%	25th	5,800	\$6.6	128	8th	50¢	9.2%	2,600	\$3.1	\$81.33
<b>Pennsylvania</b>	16.7%	34th	23,900	\$27.3	100	12th	50¢	9.4%	11,200	\$12.8	\$362.77
<b>Rhode Island</b>	13.9%	28th	1,700	\$1.9	150	3rd	50¢	8.0%	700	\$0.8	\$29.17
South Carolina	12.6%	21st	7,000	\$8.0	7	48th	50¢	12.3%	4,300	\$4.9	\$178.33
<b>South Dakota</b>	19.6%	45th	2,000	\$2.3	53	32nd	50¢	10.4%	1,000	\$1.2	\$22.39
<b>Tennessee</b>	17.2%	36th	13,400	\$15.3	20	43rd	50¢	11.6%	7,700	\$8.9	\$259.54
Texas	6.5%	2nd	23,700	\$27.1	41	36th	50¢	10.7%	12,600	\$14.4	\$535.87
<b>Utah</b>	7.5%	5th	3,500	\$4.0	69.5	23rd	50¢	9.8%	1,700	\$2.0	\$36.54
<b>Vermont</b>	20.3%	47th	1,200	\$1.4	119	10th	50¢	8.9%	500	\$0.6	\$12.80
Virginia	8.0%	7th	7,900	\$9.0	2.5	51st	50¢	12.4%	4,900	\$5.6	\$253.24
<b>Washington</b>	12.7%	24th	10,100	\$11.5	142.5	6th	50¢	7.7%	3,900	\$4.5	\$106.08
<b>West Virginia</b>	26.7%	50th	5,400	\$6.2	55	29th	50¢	11.0%	3,000	\$3.4	\$69.13
Wisconsin	15.9%	33rd	10,900	\$12.4	77	21st	50¢	9.5%	5,100	\$5.9	\$169.12
<b>Wyoming</b>	21.8%	48th	1,300	\$1.5	60	25th	50¢	10.4%	700	\$0.8	\$16.68
USA	12.0%	NA	483,000	\$551.6	39 (Fed Tax)	--	50¢	9.8%	237,500	\$271.2	\$9.1 billion

\*Tax rates and rankings reflect all state cigarette taxes passed to date that go into effect this year. States in bold have initiated cigarette tax increases since 1/1/2002.

National Center for Tobacco-Free Kids, June 26, 2003 / Eric Lindblom

For more information on state cigarette taxes and the benefits from increasing them, see the Campaign's website at <http://tobaccofreekids.org/reports/prices>.

For more state-specific data, see the Campaign website at: <http://tobaccofreekids.org/reports/settlements> and <http://tobaccofreekids.org/research/factsheets>

## **Related Facts**

- The lion's share of healthcare costs from smoking and pregnancy are covered by state Medicaid programs. [Orleans, CT, et al., "Helping Pregnant Smokers Quit: Meeting The Challenge in the Next Decade", *Tobacco Control* 9(Supplemental III): 6-11, 2000; U.S. Centers for Disease Control & Prevention (CDC), "Prevalence of Selected Maternal Behaviors and Experiences, Pregnancy Risk Assessment Monitoring System (PRAMS), 1999," *MMWR Surveillance Summaries* 51(SS-2), April 26, 2002.]
- The medical condition with the highest average hospital charges (\$68,000 per episode) and the longest length of stay (24.6 days) is infant respiratory distress syndrome, which can be caused or exacerbated by maternal smoking both before and after delivery. The third-highest average hospital charge is for premature and low birth-weight babies (\$50,000, 21.7 days), which can also be caused by pregnant women smoking or being exposed to secondhand smoke. [U.S. Agency for Healthcare Research and Quality, *Hospitalization in the United States, 1997* (HCUP Fact Book No. 1), 2000.] For more on health problems and costs associated with pregnancy and smoking, see Campaign for Tobacco-Free Kids (CFTFK), fact sheet, *Harm & Death Caused By Pregnant Women Smoking or Being Exposed to Secondhand Smoke*, <http://tobaccofreekids.org/research/factsheets/pdf/0007.pdf>
- State cigarette tax increases will also secure other short-term savings – such as healthcare cost reductions from fewer smoking-caused heart attacks and strokes – as well as much larger longer-term savings. For state-specific projections of these savings, see CFTFK, fact sheet, *State Cigarette Tax Rates and Projected Benefits From Raising Them*, <http://tobaccofreekids.org/research/factsheets/pdf/0148.pdf>.
- The average state cigarette tax rate is 70.5 cents per pack. Highest is MA and NJ (\$1.51). Lowest is Virginia (2.5 cents). For a list of state cigarette tax rates and rankings, see <http://tobaccofreekids.org/research/factsheets/pdf/0099.pdf> or <http://tobaccofreekids.org/research/factsheets/pdf/0222.pdf>. Additional Campaign fact sheets on tobacco tax increases are available at <http://tobaccofreekids.org/research/factsheets/index18.shtml> and the Campaign's special website report on tobacco taxes is at <http://tobaccofreekids.org/reports/prices>.

## **Sources for Table**

**Pregnancy and Smoking Data.** National Center for Health Statistics (NCHS), U.S. Centers for Disease Control & Prevention (CDC), "Smoking During Pregnancy in the 1990s," *National Vital Statistics Reports* 49(7), August 28, 2001; NCHS, CDC, "Births: Final Data for 2001," *National Vital Statistics Reports* 51(2), December 18, 2002.

**Pregnancy Cost Estimates and Projected Savings.** Ringel, J. & W. Evans, "Cigarette Taxes and Smoking During Pregnancy," *American Journal of Public Health*, 2001 [10% increase in cigarette prices produces 7% decline in smoking by pregnant women]; Miller, P., et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1): 25-35, February 2001 [average costs range from \$1,142 to \$1,358 per smoking-affected pregnancy and birth -- projections use lower amount].

**Tax Rate Data & Revenue Projections.** Orzechowski & Walker, *Tax Burden on Tobacco*, 2002. Economic Research Service, USDA, Tobacco Briefing Room, [www.ers.usda.gov/Briefing/tobacco](http://www.ers.usda.gov/Briefing/tobacco). Projections reflect increases from higher cigarette excise tax revenues and, in most states, higher state sales tax revenue per pack sold (where the sales tax percentage applies to the total retail price of a pack, including all excise taxes), balanced against the decline in packs sold caused by the tax increase. Projections based on estimate that a 10% increase in cigarette prices reduces total consumption by 4%, and assume that tax rates will be adjusted for inflation. See, e.g., Chaloupka, F, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine & Tobacco Research*, 1999, and other price studies at <http://tigger.uic.edu/~fjc> and [www.uic.edu/orgs/impacteen](http://www.uic.edu/orgs/impacteen). Revenue and benefit projections are conservative and are adjusted to reflect cigarette smuggling and other tax avoidance, but do not account for factors such as changes in the cigarette companies' pricing or marketing practices, state tobacco-prevention programs, or underlying national trends. Projections are subject to change based on new data or new research findings.