



Health Education Inc.

Preventing Tobacco Use in Nebraska

LB 1084, Introduced by Sen. Tom Briese

Adopt the Property Tax Request Limitation Act, provide sunset dates for certain tax exemptions and incentives, and change other revenue and taxation provisions.

Among its provisions, LB1084 would increase the excise tax on a pack of cigarettes from 64 cents to \$1.64, directing the additional proceeds to the state's property tax credit cash fund.

Public Health Implications

Much research has been done on excise taxes and cigarettes, showing that as price goes up, use goes down. Given this research, organizations including the Institute of Medicine (IOM) recommend raising the price of both cigarettes and non-cigarette tobacco products.

Fiscal Impact

Fiscal impacts of this bill would include raising revenue from taxing cigarettes and other tobacco products and reducing tobacco use via increased tobacco prices resulting from the increased tobacco taxes. Raising tobacco taxes impacts revenue and health care costs. From the Campaign for Tobacco Free Kids:

Raising Tobacco Taxes Reduces Health Care Costs

Tobacco use costs about \$170 billion each year in health care expenses, more than 60 percent of it paid by taxpayers through government programs like Medicare and Medicaid.

Raising Tobacco Taxes Generates Revenue

Every state that has increased its cigarette tax by a significant amount has enjoyed a substantial increase in revenue, despite ongoing and tax-specific smoking declines and any ongoing or increased tax evasion.

According to the Centers for Disease Control and Prevention, estimates of annual direct health care costs related to smoking are between \$130 billion and \$180 billion per year, nationally. Reductions in tobacco use lead to health savings, in the immediate term, and in the long-term.

You can follow this and other tobacco-related bills at healtheducation.org.