



American
Heart
Association.



TO: Rep. Marvin L. Abney, Chair,
Rep. Scott A. Slater, First Vice Chair,
Rep. Alex Marszalkowski, Second Vice Chair,
& Members of the House Finance Committee

FROM: American Cancer Society Cancer Action Network, American Heart Association,
American Lung Association, & Campaign for Tobacco-Free Kids

DATE: February 26, 2025

RE: Comments on House Bill 5076
Article 5, Sections 8 & 9 of the proposed Fiscal Year (FY) 2026 Budget

Thank you for the opportunity to provide comments on the Governor's FY 2026 Budget Article 5, Sections 8 and 9. **We find it promising that the Governor is looking at tobacco taxes to address revenue need but ask the committee to consider a higher cigarette tax increase of at least \$1.00 per pack, as well as equalizing tax rates across all tobacco products, to more effectively reduce tobacco use and help improve the health of Rhode Islanders.**

Tobacco use remains the single largest preventable cause of disease and premature death. More than 16 million Americans are living with a disease caused by smoking. Smoking causes cancer, heart disease, stroke, lung diseases, diabetes, and chronic obstructive pulmonary disease (COPD), which includes emphysema and chronic bronchitis.ⁱ As Lung cancer remains the top cancer killer in the state, tobacco continues to claim the lives of 1,800 Rhode Islanders each year.^{ii, iii}

In addition to the lives lost, smoking causes a significant monetary cost to Rhode Island. Annual health care costs in Rhode Island directly caused by smoking amount to \$744 million including \$233 million in Medicaid costs. The state and federal tax burden from smoking-caused government expenditures is \$1,134 per Ocean State household. Finally, smoking-caused productivity losses in Rhode Island accounted for \$1.1 billion just last year.^{iv}

While significant cigarette tax increases effectively reduce adult smoking and prevent youth initiation, data indicates that smaller increases simply raise more money for the state without measurably improving public health. **We urge the Committee to consider a minimum \$1.00 per pack cigarette tax increase and equalizing tax rates across all tobacco products to truly reduce tobacco use and help improve the health of Rhode Islanders.**

Increasing taxes on cigarettes is a win-win proposition: significantly increasing cigarette taxes results in fewer kids starting to smoke, and in more adults quitting while at the same time providing substantial revenue to fund important health, as well as tobacco prevention programs. According to projections from the Campaign for Tobacco-Free Kids, increasing the cigarette tax by \$1.00 per pack would generate an estimated \$9.42 million in new annual revenue for the state as well as reduce youth smoking by 7.1%, help 1,900 adults who currently smoke quit, and save

500 lives. It would also provide \$28.68 million in long-term health care cost savings from adult and youth smoking declines. Increasing the tax on all other tobacco products, including e-cigarettes, at the same time would produce additional health and economic benefits for Rhode Island.

Finally, Rhode Island must establish sustainable funding for tobacco prevention and cessation programs at levels that meet or exceed Centers for Disease Control and Prevention (CDC) recommendations. Despite collecting roughly \$157.9 million in tobacco tax and tobacco settlement revenue annually, the state invested a mere \$779,828 in prevention and cessation for FY 2025. We must do more. The CDC recommends that Rhode Island spend \$12.8 million annually, leaving significant room for improvement. In fact, Rhode Island ranks a disappointing 40th in the country in funding programs that prevent kids from using tobacco and helping people who use tobacco quit.^v

Significantly raising and equalizing tax rates across all tobacco products will save lives, reduce overall tobacco use, reduce health care costs for the State and private insurers, and will generate revenue for Rhode Island. Once again, we appreciate the Governor's intention and look forward to working with him and the legislature to enact evidence-based tobacco prevention and cessation measures into law.

Thank you for your consideration. Please do not hesitate to reach out if you have any questions or if we can provide additional information.

Sincerely,

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ⁱ US Department of Health and Human Services. 50 Years of Progress: A Report of the Surgeon General, 2014. 2014. Available at: <https://archive.cdc.gov/#/details?url=https://www.cdc.gov/tobacco/sgr/50th-anniversary/index.htm>

ⁱⁱ American Cancer Society. *Cancer Facts & Figures 2025*. Atlanta: American Cancer Society; 2025.

^{iii, iv} Campaign for Tobacco Free Kids. The Toll of Tobacco in Rhode Island. Updated August 14, 2024. http://www.tobaccofreekids.org/facts_issues/toll_us/rhode_island

^v Campaign for Tobacco Free Kids. A State-by-State Look at the 1998 Tobacco Settlement 25 Years Later. Updated December 17, 2024. <https://www.tobaccofreekids.org/what-we-do/us/statereport/>