

LEGISLATIVE ALERT

Vote Against H.B. 1197 - Cigarette Tax Increase

House Bill 1197 looks to burden Georgia taxpayers with at least an additional \$500 million in new taxes.

The amended bill proposes a \$1 per pack tax increase, which would raise the state tax rate to \$1.37 per pack. If this increase is enacted, many Georgia residents would travel to neighboring states like South Carolina, Alabama and Georgia to avoid high cigarette tax rates in their home state.

Advocates for the tax increase assert that part of the revenue from the tax will be used to fund expansion of healthcare in Georgia. There are many problems with this justification for cigarette taxation as a source of funding:

- Per capita cigarette consumption has been declining since the early 1980s
- Continued funding of health insurance expansion would rely on Georgians continuing to smoke cigarettes

Lawmakers continue to look to tobacco taxes to fund costly spending programs, despite the fact that the revenue source continues to decline at a rate of 1-2% per year, according to estimates by the USDA.

Raising taxes on a declining revenue source will open the door for further tax increases in the short term.

Ultimately, any tax increase is dangerous to the Georgia economy. Since any tax increase will drain money out of the private economy and productive use, it is a disservice to constituents. Taxpayers are relying on you to seek responsible, pro-growth measures to ensure the strong future of the state economy.

In the face of a budget 'shortfall' caused by government overspending, now is the time to reject higher taxes and enact true spending reform instead.

Stand up for taxpayers:
Oppose HB 1197