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## ATR Applauds Utah Gov. Herbert's Tax Increase Free Budget Proposal

### *Some Utah Legislators Want to Push Tobacco Tax Increase in 2010 Session*

WASHINGTON, D.C. — On Friday, Dec. 11, Utah Gov. Gary Herbert released recommendations for next year's budget that did not include tax increases. Americans for Tax Reform applauds his position and asks him to hold strong against any tax increases.

Last year a proposal to increase the cigarette tax by \$2.30 failed, but there are signs that there will be tax increases considered this year. House Speaker Dave Clark (R-Santa Clara) was recently quoted as saying about the upcoming session, "All of that is still on the table...For me personally, tobacco is first on the list."

A higher cigarette tax burden would fall predominantly on lower income individuals. On average, smokers' median incomes are a little more than \$36,000, roughly 30 percent less than non-smokers. Furthermore, the tax hike would come atop a recent 156% increase in the federal cigarette tax.

**"I applaud Governor Herbert's recommendations and would encourage him to reject any tax increase that may be proposed in the upcoming 2010 session,"** said Grover Norquist, President of Americans for Tax Reform. **"The people of Utah do not need any more taxes. There is never a good time to increase taxes, but especially now would be most detrimental."**

Raising the cigarette tax in Utah can also lead to increased smuggling and lower tax revenue as sales decline. Utah's cigarette tax rate already stands at 69.5 cents a pack and increasing the tax would likely push sales out of the state. In 2008, after Maryland raised its tobacco tax, the state saw a 25% drop in cigarette sales and a sharp decline in cigarette tax revenue from consumers who purchased products in nearby states with lower rates. During the first half of the year, Maryland also recorded a 254% increase in illegal cross-border cigarette smuggling.

**"Whether it is a tax increase on food, fuel, or cigarettes, a tax increase would be a bad idea. I understand the Speaker of the Utah House said that taxes were on the table, but he is looking in the wrong direction. He needs to be looking for cuts in wasteful programs that were an overspending priority in the years the revenue was rolling in."**

*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at [jkartch@atr.org](mailto:jkartch@atr.org).*

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