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Gov. Parkinson and Legislators Make Early Pitch for Tobacco Tax Hike

Tax Hike Will Fail to Raise Revenue; Increase Smuggling

Washington, D.C. – Americans for Tax Reform today condemned calls made by Gov. Mark Parkinson (D) and some state legislators in recent months to raise the tobacco tax in Kansas. Last year, a proposal to raise the cigarette tax by as much as \$0.75 per pack failed. While Gov. Parkinson has yet to announce a cigarette tax proposal, the idea has been floated along with a state-wide smoking ban.

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.

“Raising a tax on lower income families in the middle of a recession is both bad policy and bad politics,” said Grover Norquist, president of Americans for Tax Reform. **“If the governor and some legislators are calling for tax hikes months before the legislative session even begins, taxpayers can be sure that politicians have already overspent their money or are looking to spend more. Just as families tighten their belts in an economic downturn, one would hope the state of Kansas would do the same.”**

Raising the cigarette tax in Kansas can also lead to increased smuggling and lower tax revenue. Kansas's cigarette tax rate is already higher than the average of neighboring states, which stands at \$0.67 per pack. Additionally, a plurality of residents live in the Greater Kansas City area that borders Missouri, which has the lowest cigarette tax in the nation at \$0.17 per pack. A recent report by the Mackinac Center for Public Policy estimates that at the current tax rate over 19 percent of cigarettes consumed in Kansas are purchased in another state.

“Raising the cigarette tax beyond that of bordering states essentially amounts to Gov. Parkinson telling consumers to pay their taxes elsewhere,” added Norquist. **“If a quick drive across the border to Missouri will save ten dollars on a carton of cigarettes, a smoker will happily make that trip. Time and time again cigarette tax hikes fail to raise the projected revenue because of smuggling – and the simple fact that higher taxes mean fewer sales.”**

Americans for Tax Reform (ATR) 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.

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