



AMERICANS
for **TAX REFORM**

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LEGISLATIVE ALERT

Vote NO on HB 1204

In these times of economic uncertainty, it is critical now more than ever to oppose tax increases. Yet, House Bill 1204 would raise the tax on cigarette consumers by 56-cents per pack – nearly \$88 million per year. The bill was passed out of the House Rules Committee yesterday and will be considered by the full House today.

House Bill 1204 would push Arkansas's cigarette tax to \$1.15, well beyond neighboring states, which collectively average 63-cents. This will only serve to drive consumers to surrounding states with lower tax rates and drastically increase cigarette smuggling across state lines.

Evidence from nearly every state that has unfairly targeted smokers for more revenue shows that very few cigarette tax hikes meet their revenue goals. Governor Beebe aims to use the estimated \$87.8 million tax increase to expand spending on the state's healthcare system. However, raising taxes on a declining revenue source like tobacco to fund large state spending programs is a recipe for higher taxes in years to come.

Furthermore, yesterday President Obama signed into law a new 61-cent hike in the federal cigarette tax. Combined with the new federal tobacco tax, HB 1204 would cause Arkansas smokers to see their cigarette tax rise by \$1.17 per pack nearly overnight – a 119% tax increase!

It is critical to stand up for consumers and taxpayers in opposition to tax increases. In this economic downturn, this tax hike will hit families and businesses alike, further depressing economic activity.

Reject Higher Taxes!

Vote NO on House Bill 1204