

January 25, 2021

To: Members of the Wyoming House of Representatives
From: Americans for Tax Reform
Re: Oppose House Bill 0055

Dear Representative,

On behalf of Americans for Tax Reform (ATR) and our supporters across Wyoming, **I thank you for your public service in these challenging times and urge you to use the 2021 legislative session to enact policies that will help households and employers recover from the pandemic-driven downturn.** By crafting a new budget that avoids tax increases, you can send a clear message to job creators, investors, and site selectors that Wyoming will remain a no income tax state with a competitive tax climate. Not even a pandemic-driven recession can change that.

As such, **it is of the utmost importance that you oppose all efforts to raise taxes, including House Bill 0055.** If implemented, this bill would increase the highly regressive tobacco excise tax on cigarettes and moist loose tobacco, **disproportionately harming the state's most vulnerable populations at a time when they can least afford it.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. Seventy-two percent of smokers are from low-income communities, and to increase taxes on people unable to quit as they are struggling with the costs of the COVID-19 pandemic will put unnecessary hardship upon families who are already struggling to make ends meet.

Further, cigarette tax hikes promote black markets for smuggled tobacco products – often run by sophisticated, multi-million-dollar criminal syndicates – and consistently result in revenues coming in far lower than projected. According to the nonpartisan Tax Foundation, when neighboring Utah raised their tobacco tax, smuggling doubled to over 20% of the market. In other states it is as high as over 50%. As a result, **only three out of the 32 state tobacco tax increases studied met tax revenue estimates.** For this reason, **economists and tax policy experts view cigarette taxes as unsound policy.**

In addition, increasing the tax on smokeless tobacco would do irreparable harm to public health and the effort and objective of reducing smoking rates in Wyoming. According to the peer reviewed Harm Reduction Journal, “literature reviews have estimated that users of snus have at least 90–95 percent less smoking-related mortality, with minimal reduction in life expectancy, if any at all. The health benefits of smokers who completely transition to snus use are similar to those reported for smoking cessation.”

As a result, the FDA has authorized manufacturers to market their product with the following statement: “Using General Snus instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis.” To increase taxes on a product authorized by the FDA as a reduced risk product – leading to more people continuing to smoke combustible cigarettes – would violate every rule of appropriate public health policy. **Small increases in projected revenue should never come at the expense of human lives.**

ATR opposes House Bill 0055 and urges you to vote NO. If you have any questions or would like more information, please do not hesitate to contact me or Tim Andrews at tandrews@atr.org or 202-785-0266.

Sincerely,

Grover Norquist
President
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