



THE STOUFFER REPORT

Senator Bill Stouffer
Senate District 21

Capitol Building, Room 332
Jefferson City, MO 65101

For the Week of:
Oct. 16, 2006

Contact: Aaron Baker
(573) 751-1507

Tobacco-Tax Ballot Measure

In recent weeks we have been examining some of the more high-profile ballot measures that are up for a vote this November. Having already discussed proposals to raise the minimum wage and offer a constitutional protection for embryonic stem cell research, this week we will examine the who, what, when, where and why of Amendment 3, which would implement a tax hike on tobacco products.

What is Amendment 3? This amendment would raise the state's tax on cigarettes from 17 cents to 97 cents per pack. Taxes on other tobacco products, such as cigarette papers, smokeless tobacco and cigars, would increase from 10 percent to 30 percent. The estimated \$351 million to \$499 million generated annually from the tax increase would be used to fund anti-tobacco programs and provide health-care services for people with incomes that are 200 percent or less of federal poverty guidelines.

To see the complete language of the amendment, visit www.sos.mo.gov/elections.

Who is behind Amendment 3? The Committee for a Healthy Future, which created the ballot measure, is comprised of members of the American Cancer Society, the American Heart Association and the American Lung Association. It has been joined by other organizations to promote the initiative.

Who opposes Amendment 3? Opposition to Amendment 3 is led by Missourians Against Tax Abuse, an umbrella group of businesses, organizations and citizens opposing tax increases.

Why do people support the tobacco-tax increase? Supporters of the proposed tax increase say the tax is needed to reduce tobacco use among Missourians. They also say funding is needed to counter the costs of tobacco use, which affects government health-care programs and health-care providers that treat Medicaid patients and uninsured Missourians. Supporters also point out Missouri has the second-lowest tobacco tax in the United States.

Why don't people want Amendment 3 to pass? Opponents of the measure say the 470 percent tax increase is a sin tax, which has no place in the Missouri Constitution. They say implementing such a large tax increase on a legal product in order to keep people from using the product is an abuse of the government's power to tax. Opponents also point out just 17 percent of the tax revenue will go toward anti-smoking campaigns, and they say the regressive tax will disproportionately affect low-income Missourians and hurt the state economy. Some also say the plan will not cover all the costs of the health-care commitments it establishes and it is a misleading attempt to implement a constitutional right to health care.

When would Amendment 3 go into effect? Jan. 1, 2007

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

-END-