

**A Weekly FAX from the Center for Substance Abuse Research**

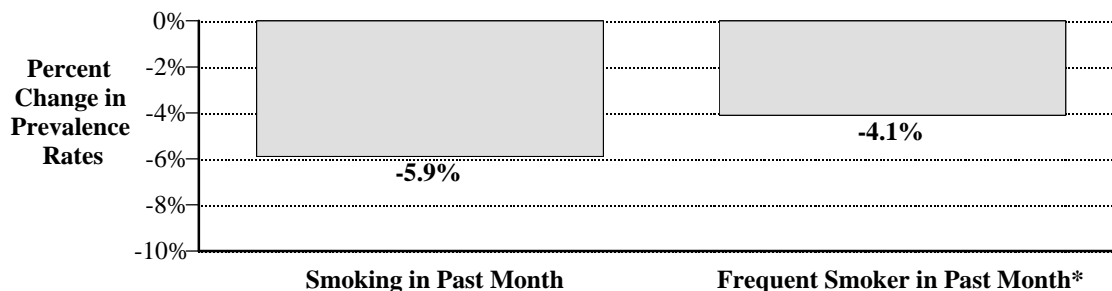
**University of Maryland, College Park**

***Federal Tobacco Tax to Increase by 62¢ Per Pack;  
Increases in Tobacco Tax Have Been Shown to Reduce Youth Smoking***

Earlier this month the President enacted the State Children's Health Insurance Program (SCHIP) bill, expanding the number of children covered by SCHIP from the 7.4 million to 11 million. The SCHIP expansion is funded by a federal tax increase on tobacco products, including a 62 cent-per-pack increase on cigarettes, which is scheduled to go into effect on April 1, 2009. While the purpose of the tobacco tax increase is to generate revenue, it may also decrease youth smoking rates. An analysis of data from the 1991 to 2005 Youth Risk Behavior Surveys found that the "large state tobacco tax increases of the past 15 years were associated with significant reductions in smoking participation and frequent smoking by youths" (p. 287). The researchers estimate that every \$1.00 in increased state tax could potentially result in a 5.9% decrease in past-month smoking prevalence and a 4.1% decrease in the prevalence of frequent smoking among U.S. high school youth (see figure below). It remains to be seen how much the recently enacted federal tax increase will reduce youth smoking rates. In 2007, 20% of youth had smoked in the past month and 8% were frequent smokers.

**Estimated Potential Effect of Increasing State Cigarette Tax Rates by \$1 per Pack  
on Smoking by U.S. High School Students**

(101,633 U.S. high school students surveyed from 1991 to 2005)



\*Frequent smoking is defined as smoking on at least 20 of the past 30 days.

NOTE: The researchers also conducted analyses to address concerns that other state tobacco policies might be affecting the impact of taxes and concluded that "other omitted tobacco policies are unlikely to be biasing our estimated tax effects" (p. 297).

SOURCE: Adapted by CESAR from Carpenter, C. and Cook, P., "Cigarette Taxes and Youth Smoking: New Evidence from National, State, and Local Youth Risk Behavior Surveys," *Journal of Health Economics*, 27(2):287-299, 2008. For more information, contact Christopher Carpenter at [kittc@uci.edu](mailto:kittc@uci.edu) or Philip Cook at [pcook@duke.edu](mailto:pcook@duke.edu).

**Want to Establish a Community Services Locator in Your County or State?**

Since 2007, CESAR has operated the interactive Maryland Community Services Locator (MDCSL) website ([www.mdcsl.org](http://www.mdcsl.org)), which allows users to quickly find detailed resource listings and directions to a variety of Maryland community resources, including substance abuse treatment, housing services, and job readiness programs. If you are interested in establishing a community services locator in your county or state, CESAR can share lessons learned, provide consultant services, or manage the development of your program. Please send inquiries to [mdcsl@cesar.umd.edu](mailto:mdcsl@cesar.umd.edu).