

Tax measure could cause financial jolt to California smokers

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This June 22, 2012 file photo a smoker snuffs out a cigarette at the Capitol in Sacramento, Calif. A well-financed campaign whose backers include billionaire environmentalist Tom Steyer, medical groups and organized labor has collected enough signatures for a ballot measure to raise California's cigarette tax by \$2 per pack, officials said. (AP Photo/Rich Pedroncelli,File)

A campaign to raise California's cigarette tax by \$2 a pack said Monday it has collected enough signatures to qualify the proposal for the Nov. 8 ballot and raise the prospect of a pocketbook jolt for smokers in the nation's most populous state.

Backers hope the higher cost of cigarettes would discourage young people from smoking while raising money for anti-smoking campaigns and research on tobacco-related illnesses.

The average cost of a pack of cigarettes in California is now about \$5.50. The \$2-a-pack increase would bump that to about \$7.50—an increase of about \$750 a year for people who smoke a pack a day—if cigarette makers pass along the full amount to consumers.

"This is going to make smokers pay their fair share" of health costs, said Tom Steyer, a former [hedge fund manager](#) who has contributed \$1 million to the ballot campaign.

Steyer said his mother had a three-pack-a-day habit and died of lung cancer 14 years ago.

"I think everybody in California has a family member, a close friend, whose lives have been tragically affected by tobacco," he said.

Backers of the measure delivered their first box of petition signatures to the San Diego County registrar of voters. They said a million signatures have been gathered and will be delivered to counties throughout the state.

A total of 585,407 signatures of registered voters must be verified for the measure to appear on the November ballot.

The increase would make California's tax the ninth-highest in the nation,

according to the Campaign for Tobacco-Free Kids, an advocacy group. New York has the nation's highest state tax at \$4.35 a pack, and Missouri is lowest at 17 cents.

Nationwide, the weighted average cost for a pack of cigarettes is \$5.96. The highest combined state-local tax rate is \$6.16 in Chicago, with New York City second at \$5.85 per pack. California does not allow local taxes on tobacco.



In this Dec. 13, 2005 file photo an unidentified man smokes a cigarette in Sacramento, Calif. A well-financed campaign whose backers include billionaire environmentalist Tom Steyer, medical groups and organized labor has collected enough signatures for a ballot measure to raise California's cigarette tax by \$2 per pack, officials said. (AP Photo/Rich Pedroncelli,File)

The Campaign for Tobacco-Free Kids says studies have shown that a 10 percent price increase generally lowers consumption between 3 percent and 5 percent, and slightly more among children.

Democratic Gov. Jerry Brown recently signed legislation to make California the second state in the nation, following Hawaii, to raise the legal age to buy tobacco from 18 to 21. Beginning June 9, it will be a crime to sell or give tobacco to anyone under 21—except military personnel.

The tax increase would apply to electronic cigarettes and other products with tobacco or nicotine.

David Sutton, a spokesman for tobacco company Altria Group Inc., said it opposes large targeted tobacco and e-vapor taxes. Altria is reviewing the California initiative and considering options, he said.

The American Vaping Association said it would work to defeat the measure but was undecided about how much it would spend on the effort.

"Public health benefits every time a smoker switches to vaping," said Gregory Conley, the group's president. "By recklessly campaigning to equate the taxes on deadly cigarettes with smoke-free vapor products, it is clearer than ever that so called 'anti-smoking' activists have officially gone off the rails."

Backers of the [tax increase](#) contend that vaping lures [young people](#) to smoking tobacco.

The tobacco tax campaign reported this month that it had spent \$2.8 million during the first three months of the year and had more than \$4 million in cash on hand. Major backers include the California Medical

Association, California Association of Hospitals and Health Systems, and the Service Employees International Union.

The union represents the largest number of health care workers in California and has "a deep interest in building healthy communities and a healthy economy for working families," said David Garcias, president of SEIU Local 221.

The [tobacco tax](#) joins four other measures, including a proposal to legalize recreational use of marijuana, that are pending signature verification.

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