

CAMPAIGN For TOBACCO-FREE Kids[®]

PREGNANCY-RELATED BENEFITS AND COST SAVINGS FROM RAISING CIGARETTE TAXES

State	Pregnant Smoking Rate	Pregnant Smoking Rank (1 = low)	Smoking-Affected Births Each Year	Related Health Costs Each Year (millions)	Current Cigarette Tax (per pack)	Cigarette Tax Rank (1 = high)	Tax Increase Amount (per pack)*	Pregnant Smoking Decline	Fewer Smoking-Affected Births Over 5 Years	Related 5-Year Cost Savings (millions)	Increased Annual State Cig. Tax Revenue (millions)
Alabama	12.8%	22nd	7,950	\$9.1	16.5¢	43rd	50¢	10.9%	4,300	\$4.9	\$196.4
Alaska	18.0%	39th	1,790	\$2.0	\$1.00	3rd	50¢	7.4%	650	\$0.7	\$18.8
Arizona	7.4%	3rd	6,000	\$6.9	58¢	15th	50¢	9.2%	2,750	\$3.1	\$124.3
Arkansas	18.7%	43rd	6,860	\$7.8	31.5	29th	50¢	10.7%	3,650	\$4.2	\$117.7
California	NA	NA	NA	NA	87¢	7th	50¢	8.8%	0	\$0.0	\$583.3
Colorado	10.5%	14th	6,520	\$7.4	20¢	38th	50¢	10.7%	3,450	\$3.9	\$139.0
Connecticut	8.3%	6th	3,590	\$4.1	50¢	19th	50¢	9.9%	1,750	\$2.0	\$103.8
Delaware	12.8%	22nd	1,360	\$1.6	24¢	32nd	50¢	10.9%	700	\$0.8	\$49.0
DC	3.8%	1st	280	\$0.3	65¢	14th	50¢	9.0%	100	\$0.1	\$11.5
Florida	10.3%	12th	20,200	\$23.1	33.9¢	27th	50¢	10.4%	10,500	\$12.0	\$565.5
Georgia	9.2%	8th	11,600	\$13.2	12¢	46th	50¢	10.9%	6,300	\$7.2	\$257.7
Hawaii	7.6%	4th	1,290	\$1.5	\$1.00	3rd	50¢	8.0%	500	\$0.6	\$17.2
Idaho	12.7%	21st	2,520	\$2.9	28¢	31st	50¢	10.8%	1,350	\$1.5	\$40.7
Illinois	11.4%	17th	20,700	\$23.6	58¢	15th	75¢	14.7%	15,200	\$17.4	\$537.9
Indiana	20.9%	46th	17,900	\$20.4	15.5¢	44th	75¢	17.3%	15,450	\$17.6	\$501.1
Iowa	18.2%	40th	6,830	\$7.8	36¢	24th	50¢	10.5%	3,550	\$4.1	\$115.5
Kansas	13.2%	25th	5,110	\$5.8	24¢	32nd	50¢	10.7%	2,700	\$3.1	\$96.8
Kentucky	24.5%	49th	13,300	\$15.2	3¢	50th	75¢	18.0%	11,950	\$13.6	\$417.9
Louisiana	10.1%	11th	6,780	\$7.7	24¢	32nd	50¢	10.7%	3,600	\$4.1	\$209.9
Maine	18.3%	41st	2,490	\$2.8	\$1.00	3rd	50¢	8.5%	1,050	\$1.2	\$44.6
Maryland	9.8%	10th	7,050	\$8.1	66¢	13th	70¢	13.0%	4,550	\$5.2	\$182.2
Massachusetts	10.8%	15th	8,740	\$10.0	76¢	10th	50¢	8.4%	3,650	\$4.2	\$158.7
Michigan	16.0%	32nd	21,300	\$24.3	75¢	11th	50¢	9.2%	9,800	\$11.2	\$351.3
Minnesota	11.8%	19th	7,780	\$8.9	48¢	20th	\$1.00	19.9%	7,700	\$8.8	\$305.3
Mississippi	12.6%	20th	5,370	\$6.1	18¢	39th	50¢	11.2%	3,000	\$3.4	\$124.9

Pregnancy-Related Benefits & Cost Savings from Raising Cigarette Taxes / 2

State	Pregnant Smoking Rate	Pregnant Smoking Rank (1 = low)	Smoking-Affected Births Each Year	Related Health Costs Each Year (millions)	Current Cigarette Tax (per pack)	Cigarette Tax Rank (1 = high)	Tax Increase Amount (per pack)*	Pregnant Smoking Decline	Fewer Smoking-Affected Births Over 5 Years	Related 5-Year Cost Savings (millions)	Increased Annual State Cig. Tax Revenue (millions)
Missouri	18.3%	41st	13,800	\$15.8	17¢	41st	75¢	16.7%	11,450	\$13.1	\$417.6
Montana	17.5%	37th	1,880	\$2.1	18¢	39th	50¢	11.5%	1,050	\$1.2	\$32.6
Nebraska	15.1%	30th	3,600	\$4.1	34¢	26th	50¢	10.2%	1,800	\$2.1	\$59.6
Nevada	11.7%	18th	3,430	\$3.9	35¢	25th	50¢	10.0%	1,700	\$1.9	\$78.7
New Hampshire	15.2%	31st	2,130	\$2.4	52¢	17th	50¢	9.9%	1,050	\$1.2	\$79.8
New Jersey	10.3%	12th	11,700	\$13.4	80¢	8th	50¢	8.8%	5,150	\$5.9	\$213.5
New Mexico	10.8%	15th	2,930	\$3.3	21¢	37th	50¢	10.8%	1,550	\$1.8	\$45.6
New York	9.3%	9th	23,700	\$27.1	\$1.11	2nd	50¢	8.1%	9,600	\$11.0	\$446.0
North Carolina	14.3%	27th	16,200	\$18.5	5¢	49th	50¢	11.3%	9,150	\$10.5	\$393.6
North Dakota	19.2%	45th	1,460	\$1.7	44¢	21st	50¢	10.3%	750	\$0.9	\$21.3
Ohio	18.8%	44th	28,600	\$32.7	24¢	32nd	50¢	11.2%	16,000	\$18.3	\$511.5
Oklahoma	17.9%	38th	8,770	\$10.0	23¢	36th	50¢	10.8%	4,700	\$5.4	\$167.1
Oregon	14.5%	29th	6,550	\$7.5	68¢	12th	50¢	9.2%	3,000	\$3.4	\$107.0
Pennsylvania	17.2%	36th	24,900	\$28.4	31¢	30th	50¢	10.8%	13,400	\$15.3	\$482.8
Rhode Island	13.8%	26th	1,700	\$1.9	\$1.00	3rd	50¢	8.7%	700	\$0.8	\$35.2
South Carolina	12.8%	22nd	7,030	\$8.0	7¢	48th	50¢	11.2%	3,950	\$4.5	\$185.8
South Dakota	21.0%	47th	2,210	\$2.5	33¢	28th	50¢	10.4%	1,100	\$1.3	\$26.2
Tennessee	17.1%	34th	13,300	\$15.2	13¢	45th	50¢	11.1%	7,400	\$8.5	\$282.9
Texas	6.9%	2nd	24,000	\$27.4	41¢	23rd	50¢	10.2%	12,200	\$13.9	\$623.5
Utah	8.1%	5th	3,740	\$4.3	51.5¢	18th	50¢	9.6%	1,750	\$2.0	\$39.8
Vermont	16.5%	33rd	1,080	\$1.2	44¢	21st	67¢	13.2%	700	\$0.8	\$32.1
Virginia	9.0%	7th	8,590	\$9.8	2.5¢	51st	50¢	11.3%	4,850	\$5.5	\$315.3
Washington	14.4%	28th	11,400	\$13.0	\$1.42.5	1st	50¢	8.4%	4,800	\$5.5	\$134.8
West Virginia	26.1%	50th	5,410	\$6.2	17¢	41st	50¢	11.3%	3,050	\$3.5	\$90.6
Wisconsin	17.1%	34th	11,600	\$13.2	77¢	9th	85¢	15.6%	9,000	\$10.3	\$300.9
Wyoming	21.0%	47th	1,280	\$1.5	12¢	46th	50¢	10.8%	650	\$0.7	\$21.9
USA	12.6%	NA	507,000	\$579.0	34¢ fed. tax	--	50¢	10.1%	255,000	\$291.2	\$9.7 billion

*Tax increase amounts set at 50 cents per pack except in those states with active cigarette tax increase proposals, in which case the proposed amounts are used.

Related Facts

- The lion's share of healthcare costs from smoking and pregnancy are covered by state Medicaid programs. [Orleans, CT, et al., "Helping Pregnant Smokers Quit: Meeting The Challenge in the Next Decade", *Tobacco Control* 9(Supplemental III): 6-11, 2000.]
- The medical condition with the highest average hospital charges (\$68,000 per episode) and the longest length of stay (24.6 days) is infant respiratory distress syndrome, which can be caused or exacerbated by maternal smoking both before and after delivery. The third-highest average hospital charge is for premature and low birth-weight babies (\$50,000, 21.7 days), which can also be caused by pregnant women smoking or being exposed to secondhand smoke. [U.S. Agency for Healthcare Research and Quality, *Hospitalization in the United States, 1997* (HCUP Fact Book No. 1), 2000.] For more on health problems and costs associated with pregnancy and smoking, see Campaign for Tobacco-Free Kids (CFTFK), fact sheet, *Harm & Death Caused By Pregnant Women Smoking or Being Exposed to Secondhand Smoke*, <http://tobaccofreekids.org/research/factsheets/pdf/0007.pdf>
- State cigarette tax increases will also secure other short-term savings – such as healthcare cost reductions from fewer smoking-caused heart attacks and strokes – as well as much larger longer-term savings. For state-specific projections of these savings, see CFTFK, fact sheet, *State Cigarette Tax Rates and Projected Benefits From Raising Them*, <http://tobaccofreekids.org/research/factsheets/pdf/0148.pdf>.
- The average state cigarette tax rate is 43.4 cents per pack. Highest is New York (\$1.11). Lowest is Virginia (2.5 cents). Recent state cigarette tax increases include Maine (from 74 cents per pack to \$1.00); Rhode Island (from 71 cents to \$1.00); Wisconsin (from 59 to 77 cents); and New York (from 56 cents to \$1.11). For a list of recent state cigarette tax increases and the resulting increases in state revenues and decreases in state cigarette consumption, see CFTFK, fact sheet, *Raising State Tobacco Taxes Always Reduces Tobacco Use (& Always Increases State Revenues)*, <http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf>. Additional Campaign fact sheets on tobacco tax increases are available at <http://tobaccofreekids.org/research/factsheets/index18.shtml> (state) and <http://tobaccofreekids.org/research/factsheets/index11.shtml> (federal).

Sources for Table

Pregnancy and Smoking Data. National Center for Health Statistics (NCHS), U.S. Centers for Disease Control & Prevention (CDC), "Smoking During Pregnancy in the 1990s," *National Vital Statistics Reports* 49(7), August 28, 2001; NCHS, CDC, "Births: Final Data for 1999," *National Vital Statistics Reports* 49(1), April 17, 2001. South Dakota pregnancy smoking rate from South Dakota State Department of Public Health.

Pregnancy Cost Estimates and Projected Savings. Ringel, J. & W. Evans, "Cigarette Taxes and Smoking During Pregnancy," *American Journal of Public Health*, 2001 [10% increase in cigarette prices produces 7% decline in smoking by pregnant women]; Miller, P., et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1): 25-35, February 2001 [average costs range from \$1,142 to \$1,358 per smoking-affected pregnancy and birth -- projections use lower amount].

Tax Rate Data & Revenue Projections. Orzechowski & Walker, *Tax Burden on Tobacco*, 2001. Economic Research Service, USDA, Tobacco Briefing Room, www.ers.usda.gov/Briefing/tobacco. Projections reflect increases from higher cigarette excise tax revenues and, in most states, higher state sales tax revenue per pack sold (where the sales tax percentage applies to the total retail price of a pack, including all excise taxes), balanced against the decline in packs sold caused by the tax increase. Projections based on estimate that a 10% increase in cigarette prices reduces total consumption by 4%, and assume that tax rates will be adjusted for inflation. See, e.g., Chaloupka, F, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine & Tobacco Research*, 1999, and other price studies at <http://tigger.uic.edu/~fjc> and www.uic.edu/orgs/impactteen. Revenue and benefit projections are conservative, but do not account for factors such as changes in the cigarette companies' pricing or marketing practices, state tobacco-prevention programs, cigarette smuggling or cross-border sales, or underlying national trends.

Projections are subject to change based on new data or new research findings.