



The Honorable Matt Hall, Chairman
House Standing Committee on Tax Policy
997 Anderson House Office Building
Lansing, MI 48933

April 13, 2021

Dear Mr. Chairman,

Thank you for the opportunity to provide perspective on House Bill 4485. The American Cancer Society Cancer Action Network and the American Lung Association stand opposed to House Bill 4485 and ask that the current cap on the cigar tax be allowed to expire as scheduled on 10/31/21 so that cigars will be taxed at the same rate as all Other Tobacco Products (OTP).

Regular cigar smoking increases the risk of cancers of the lung, oral cavity, larynx, and esophagus.ⁱ In fact, cigar smokers are four to ten times more likely to die from laryngeal, oral or esophageal cancers than non-smokers.ⁱⁱ Heavy cigar smoking also increases the risk of developing lung diseases, such as emphysema and chronic bronchitis.ⁱⁱⁱ Cigars also produce secondhand smoke that is dangerous for non-smokers. All tobacco products, including cigars, contain nicotine, which may induce dependence and harm health.^{iv} And unfortunately, young people who use tobacco products are more likely to become addicted than adults.^v 5.2% of Michigan high school students currently smoke cigars, higher than our high school cigarette smoking rate.^{vi}

Under the current structure, the sale of cigars in Michigan has increased over time^{vii}. With the increase in use comes the potential increase in chronic illness such as cancer, cardiovascular disease, COPD, and more. We support a common-sense tax structure that taxes all tobacco products at the same rate which prevents kids from a lifelong addiction and helps adults quit while providing more revenue to invest in health and education programs for the state. Continuing to keep the cap in place could reduce revenue by as much as \$4.3 Million.

Lowering the tax on any tobacco product is a step in the wrong direction. Lower taxes make these products more appealing to price-sensitive consumers, including youth. All tobacco products, including cigars, should be taxed at parallel rates to encourage people who use tobacco to quit rather than switching to lower-priced alternatives.

As we face skyrocketing youth tobacco use, now is not the time to take steps backward. ACS CAN and ALA calls on you to stand up to Big Tobacco and protect Michiganders' health by voting no this legislation. Together we can protect our kids from a lifelong addiction to tobacco products.

Please consider the impact that you are making on Michigan's health. We need to move cigars back under the OTP tax rate where they were before. Cancer and cardiovascular disease from tobacco use is preventable. Please put Michigan first and help us curb cancer and the use of tobacco products. We urge you to vote no on House Bill 4485. Thank you for your consideration in this important matter.

Respectfully,



Andrew R. Schepers
ACSCAN



Ken Fletcher
American Lung Association

c: Members of the House Standing Committee on Tax Policy

ⁱ Cancer Facts and Figures. American Cancer Society; 2017. <https://www.cancer.org/research/cancer-facts-statistics/all-cancerfacts-figures/cancer-facts-figures-2017.html>

ⁱⁱ Oral Cancer and Tobacco. Johns Hopkins Medicine. <https://www.hopkinsmedicine.org/health/conditions-and-diseases/oralcancer-and-tobacco#:~:text=Smokers%20are%20also%20at%20a,60%20known%20cancer%2Dcausing%20agents.>

ⁱⁱⁱ Cigars. Centers for Disease Control and Prevention. https://www.cdc.gov/tobacco/data_statistics/fact_sheets/tobacco_industry/cigars/index.htm

^{iv} The Health Consequences of Smoking - 50 Years of Progress. U.S. Department of Health and Human Services; 2014. <https://pubmed.ncbi.nlm.nih.gov/24455788/>

^v A Report of the Surgeon General: Preventing Tobacco Use Among Youth and Young Adults. Centers for Disease Control and Prevention Office on Smoking and Health; 2012. https://www.cdc.gov/tobacco/data_statistics/sgr/2012/consumer_booklet/pdfs/consumer.pdf

^{vi} 2019 Youth Risk Behavior Survey. Centers for Disease Control and Prevention.

^{vii} Darragh, S. B. (2021, April 09). Michigan Tobacco Tax Collections [E-mail to 1307323464 961518770 A. R. Schepers].