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Cigarette Taxes and Their Proposed Uses: Support Among Smokers and Nonsmokers in Different Income Groups in Texas

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Summary

The Texas Legislature is discussing the option of raising tobacco taxes. Insight into how Texans view these issues is provided by a telephone survey with 6,345 participants carried out between October and December 2004. Overall support for a \$1-per-pack tax increase was high, and it increased when specified uses of the tax revenues included smoking prevention and children's health insurance. Nonsmokers supported the tax increase more than smokers. But a majority of smokers in the lowest income group did support the \$1-per-pack increase if uses included prevention. Two-thirds of low-income smokers lent support if funds were to be used to provide health insurance for low-income households.

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The Texas Legislature is beginning to consider new taxes, including a proposed \$1-per-pack tax on cigarettes. In the past, various issues have been raised in debates on this topic.¹⁻³ Proponents cite evidence that increased taxes deter young people from using tobacco⁴⁻¹⁰ and argue that additional revenues can be used to provide health-care services for children and to support smoking-prevention programs.¹¹⁻¹² Opponents argue that higher tobacco taxes place an unfair burden on smokers, especially those in low-income groups.¹³⁻¹⁷

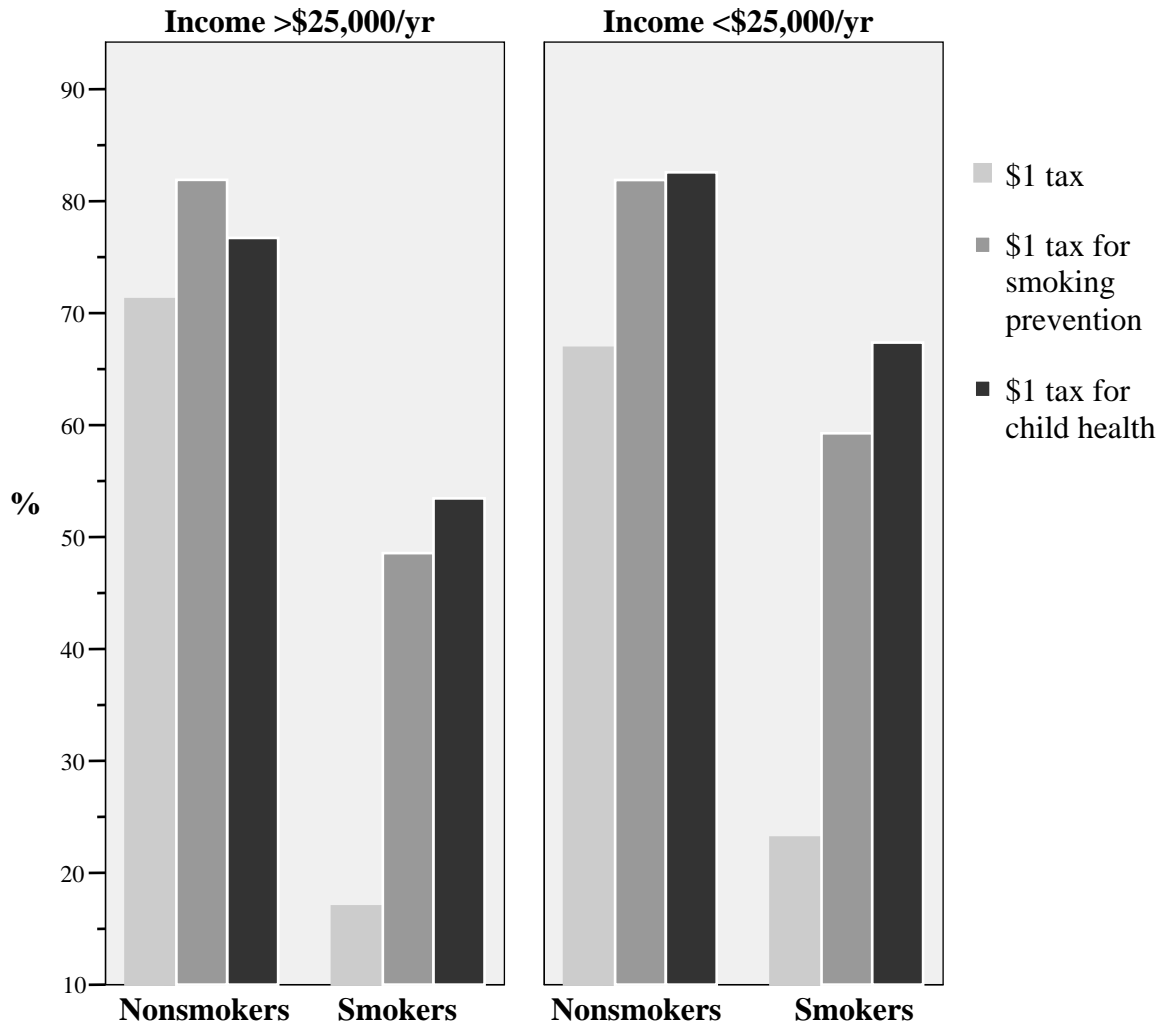
To gain insight into how Texans view new cigarette taxes, data from a statewide telephone survey (random-digit dialing of working residential numbers) of 6,345 adults were analyzed. The survey was conducted between October and December 2004. Participants were asked whether they support a \$1-per-pack increase in cigarettes taxes. They were also asked about the use of these taxes to provide funds for children's health care and programs to prevent tobacco use among young people. To learn how views differed between those who use tobacco and those who do not, as well as between those in different income groups, participants were also asked about their own tobacco use and their household income.

About 6,000 usable responses were available for different analyses. Current smokers made up 17% of the sample, and 35% of smokers reported household incomes below \$25,000 per year. Among all respondents, 65% favored a \$1-per-pack increase in cigarette taxes. Support for the \$1-per-pack increase grows when the taxes are to be used partly for preventing young people from smoking (77%) or to help provide health insurance for children in low-income families (75%). Smokers and nonsmokers differed markedly in their opinions, and there were also significant differences between income groups, as shown in the figure. Confidence intervals (+/-) are 2% or less except in the low-income group of smokers, where it is approximately 5% due to the smaller sample size.

Among nonsmokers, support for a \$1-per-pack tax rises significantly when its proposed uses include smoking prevention and children's health insurance. When the use is not specified, higher-income nonsmokers are more likely to favor the tax than low-income nonsmokers (71% vs. 67%, $p < 0.05$). When a specified use is smoking prevention, the level of support is 82% among nonsmokers in both income groups. However, when a specified use is health insurance for children in low-income families, support is weaker among higher-income smokers than among low-income smokers (77% vs. 83%, $p < 0.01$).

Among smokers, support for the \$1 tax was dramatically affected by its proposed use. When the use was not specified, support was low (17% and 23%) among higher- and low-income groups. However, when smokers considered proposed uses for smoking prevention and children's health insurance, levels of support among the higher- and low-income groups, respectively, increased to 48% and 59% with prevention use and 53% and 67% with child-health use. Interestingly, when the proposed uses were for prevention or health insurance for children in low-income families, support for a \$1 tax was significantly greater among smokers in the low-income group than among those in the higher-income group ($p < 0.01$).

Support for Cigarette Tax Increase According to Proposed Use, Smoking Status, and Household Income



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APPENDIX (Pending completion)

Questions used in this report: Response choices in parentheses.

DETAILED TABULATIONS

Current Smoker * \$1 tax * <\$25,000/yr Crosstabulation

<\$25,000/yr							\$1 tax	
							.00	1.00
.00	Current Smoker	Not at risk	Count	1087	2693	3780		
			% within Current Smoker	28.8%	71.2%	100.0%		
	At risk	Count	542	111	653			
		% within Current Smoker	83.0%	17.0%	100.0%			
	Total	Count	1629	2804	4433			
	% within Current Smoker		36.7%	63.3%	100.0%			
1.00	Current Smoker	Not at risk	Count	490	990	1480		
			% within Current Smoker	33.1%	66.9%	100.0%		
	At risk	Count	332	100	432			
		% within Current Smoker	76.9%	23.1%	100.0%			
	Total	Count	822	1090	1912			
	% within Current Smoker		43.0%	57.0%	100.0%			

Current Smoker * \$1 tax for prevention * <\$25,000/yr Crosstabulation

<\$25,000/yr							\$1 tax for
							.00
							1.00
.00	Current Smoker	Not at risk	Count	684	3096	3780	
			% within Current Smoker	18.1%	81.9%	100.0%	
	At risk	Count	336	317	653		
		% within Current Smoker	51.5%	48.5%	100.0%		
	Total	Count	1020	3413	4433		
	% within Current Smoker	23.0%	77.0%	100.0%			
1.00	Current Smoker	Not at risk	Count	268	1212	1480	
			% within Current Smoker	18.1%	81.9%	100.0%	
	At risk	Count	176	256	432		
		% within Current Smoker	40.7%	59.3%	100.0%		
	Total	Count	444	1468	1912		
	% within Current Smoker	23.2%	76.8%	100.0%			

Current Smoker * \$1 for child health * <\$25,000/yr Crosstabulation

<\$25,000/yr							\$1 for chi
							.00
							1.00
.00	Current Smoker	Not at risk	Count	880	2900	3780	
			% within Current Smoker	23.3%	76.7%	100.0%	
	At risk	Count	304	349	653		
		% within Current Smoker	46.6%	53.4%	100.0%		
	Total	Count	1184	3249	4433		
	% within Current Smoker	26.7%	73.3%	100.0%			
1.00	Current Smoker	Not at risk	Count	258	1222	1480	
			% within Current Smoker	17.4%	82.6%	100.0%	
	At risk	Count	141	291	432		
		% within Current Smoker	32.6%	67.4%	100.0%		
	Total	Count	399	1513	1912		