Support HB19-1333
Strategy to reduce youth tobacco use
Sponsored by: Representative Caraveo & Senator Fields

Nicotine and tobacco tax measure to reduce tobacco use and lower associated health care costs:

1. **Colorado is facing a youth vaping epidemic.** We have among the highest teen e-cigarette use rates, with 26.2 percent of Colorado's teenagers reporting having used an e-cigarette before. This is nearly twice the national average. (source: Tobacco Free Kids)

2. **Every 10 percent increase in the price of cigarettes leads to roughly a 7 percent decrease in youth usage.** Since nearly 9 out of 10 adult smokers begin smoking while in their teens, if one can reach adulthood without using tobacco products, then the probability of becoming a life-long smoker is greatly reduced.

3. **Colorado’s tax rate on cigarettes ranks 39th in the nation and we currently do not impose any excise tax on the liquid nicotine used in e-cigarettes.** Today in Colorado, a pack of cigarettes costs about $5.60 and an equivalent amount of liquid nicotine for e-cigarettes is sold for about $1.

Nicotine & tobacco tax revenue distribution:

Revenue:
- **50% Health Care**
  - Prevention Cessation Hold Harmless $45 million
  - Lower Health Care Costs $75 million
  - Behavioral Health $38 million
- **50% Education**
  - Pre-K
    - YR1 $111M
    - YR2 $95M
    - YR3 $87M
  - Out-of-School
    - YR1 $47M
    - YR2 $64M
    - YR3 $71M

Complete budget breakdown:

**$158.5 million for Health Care:**
- Revenue for tobacco prevention, education, cessation, and to hold harmless existing tobacco funded programs
- Reduce the cost of health care by reducing premiums and out-of-pocket costs
- Mental health services for children and youth including school-based mental health services

**$158.5 million for Education:**
- Expand and enhance Colorado Preschool Program to serve more children and improve the quality of early learning opportunities
- Expand opportunities for children and youth outside of school through the Expanded Learning Opportunities Program

<table>
<thead>
<tr>
<th>Current tax rates vs. proposed tax rates</th>
<th>Currently</th>
<th>Proposed</th>
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</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>$0.84 per pack</td>
<td>$2.59 per pack</td>
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<tr>
<td>E-cigarettes (liquid nicotine)</td>
<td>0% of listed manufacturer price</td>
<td>62% of listed manufacturer price</td>
</tr>
<tr>
<td>Other tobacco products</td>
<td>40% of listed manufacturer price</td>
<td>62% of listed manufacturer price</td>
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The tobacco industry has historically targeted low-income populations and communities of color. Studies show that significant cigarette tax increases are even more effective in reducing smoking among lower-income populations and communities of color. Revenue from tobacco tax will be reinvested into health and child-related programs that help adults quit smoking, keep kids from starting, and aid families who have been historically targeted by tobacco companies.

Higher tobacco taxes can reduce long-term costs related to smoking, which are an extreme financial burden on the state. Tax increases can promote healthy behaviors and deter individuals from beginning smoking in the first place. Since most smoking-related diseases take years to develop, health care cost savings will continue to grow over time; since lower-income people are a proportionally large percentage of smokers in Colorado, smoking reductions will lower state Medicaid program expenditures drastically.

### Smoking-Caused Monetary Costs in Colorado
*(source: Tobacco Free Kids)*

- Tax burden from smoking-caused government expenditures: $654/household
- Medicaid costs caused by smoking: $386.3 million
- Annual health care costs directly caused by smoking: $1.89 billion

Vote YES on HB19-1333 to combat youth vaping and cigarette use, lower health care costs associated with smoking, and increase revenue for health care and education programs.

### Supporter List

- [COLORADO CHILDREN’S CAMPAIGN](#)
- [The Consortium](#)
- [CAMPAIGN for TOBACCO-FREE KIDS](#)
- [GARY COMMUNITY INVESTMENTS](#)
- [American Heart Association](#)
- [gasp colorado](#)
- [Clayton Early Learning](#)
- [EPIC](#)
- [EARLY CHILDHOOD SUMMIT](#)
- [HEALTHY child care COLORADO](#)