

Tobacco tax going up

One dollar user fee goes into effect July 1

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Article Photos



Photo illustration by MICHAEL PISTELLA

Fact Box

Top 5 State Cigarette Tax Rates

STATE TAX RANK

Rhode Island \$3.46 1st

New York \$2.75 2nd

Hawaii \$2.60 3rd

New Jersey \$2.58 4th

Massachusetts \$2.51 5th

Florida \$1.339 22nd

Tax rates are effective July 1, 2009

Source: Tobacco-FreeKids.ORG

Convenience stores and smoke shops are urging Cape Coral residents to stock up on cigarettes and other tobacco products before the state implements a \$1 tobacco user fee on July 1.

Perhaps one of the most publicized bills that passed the Florida Legislature this spring, the \$1 user fee is levied against standard packs of 20 cigarettes and for other tobacco products - such as pipe or chewing tobacco - the surcharge will be 60 percent of the wholesale price.

The measure is designed to combat teenage smoking and incidences of cancer associated with smoking, yet purveyors of tobacco and habitual smokers aren't looking forward to the fee's effect on their wallets. Local tobacco sellers are especially worried about the extra dollar per pack.

Laura Ring, co-owner of the Cape Smoke Shop on Del Prado Boulevard, said the fee will put the price of cigarettes well over \$5 per pack and some regular customers could disappear.

"It is terrible. It is going to put a real strain on our business. There will be a lot more people trying to quit," said Ring.

Florida families and businesses spend \$6.2 billion annually on tobacco-related products while each household spends an average of \$586 per year, according to reports. Ring said she isn't sure if the user fee will cause people to quit, but the shop is hoping that it doesn't lose too many of its customers in the process.

"We aren't sure yet, you can never tell with people who say they are going to quit. Some do, some don't," said Ring. "We are hoping for the best."

Over the last month, the state's Division of Alcoholic Beverages and Tobacco has implemented the new law by educating stores and businesses that sell tobacco.

"We are going to educate all parties involved and make sure they have the correct paperwork," said Alexis Lambert, spokesperson for the Division of Alcoholic Beverages and Tobacco. "We also have teams out."

After July 1, the agency will periodically audit businesses throughout the state to ensure that all of the tax money has been paid. So far there hasn't been any backlash against the implementation of the law in the community, said Lambert.

Of course, the user fee isn't effective until next month and before that cigar companies pushed hard to have Florida-rolled cigars removed from the bill. They claimed it would result in the loss of thousands of jobs.

State Sen. Ted Deutch, D-Boca Raton, introduced the legislation into the 2009 session. He said the legislation will prevent 300,000 teenagers from picking up a cigarette.

"This legislation has always been a public health initiative. All of the research shows the best way to prevent kids from taking up smoking is to make cigarettes cost more," said Deutch.

For the last two years, Deutch and some of his colleagues not only worked on drafting the legislation, but also on convincing other legislators that it was to improve public health. He said that \$1.3 billion is spent annually in Florida's Medicaid program to treat patients with health problems resulting from tobacco use - although the smoking population only contributes \$400 million into Medicaid.

The user fee is expected to detract smokers from lighting up, but it will also assist the state with severe budget shortfalls. During the 2009 legislative session the state reported a \$3 billion shortfall and after its first year the tobacco fee will generate an estimated \$950 million, said Deutch.

All of these funds will go directly into the state's \$2.8 billion health budget. Officials from the Lee Memorial Health System, who supported the user fee in April, said it would benefit KidCare and Medicaid's Medically Needy or Aged and Disabled programs.

A portion of the tobacco money will also be used for cancer research.

"Of that money, \$50 million annually will be invested in cancer research here in Florida so we have the opportunity to come up with new treatments and possibly a cure," said Deutch.

The only tobacco products that aren't under the legislation's umbrella are cigars. According to Deutch, cigars were included in the original legislation but were removed in mid-session because the \$2 billion cigar industry is such a large component of the state economy.

There are more cigar companies statewide - a majority in Miami or Tampa - than any other part of the United States. Even though cigars were stricken from the bill, taxing cigarettes will still have the most significant impact on reducing smokers, he said.

Recently, the Lee County Health Department was awarded a \$610,000 grant to form a local tobacco coalition called Tobacco Free Lee. It will include local residents, agencies such as the Lee County School District and Lee County Health Department, and national organizations like the American Cancer Society or American Lung Association.

On June 25 the health department will host a training program for students and community residents working against tobacco. There are a number of local issues that the coalition will tackle.

"We have more female smokers than men," said Brendan Donohue, tobacco program specialist. "We want to make sure there are interventions each time a woman goes to a physician in Lee County."

Physician interventions include health screenings, information on the dangers of smoking and referrals to tobacco cessation services. Smokers can receive five free sessions with a counselor through the Florida Quitline and free nicotine replacement products.

It will address the marketing of tobacco products to teenagers and chewing tobacco to employees who work in a smoke-free business.

"Flavored products are going to be addressed, because that appeals to children," said Donohue. "Tobacco companies seem to be promoting chewing tobacco more because it gets around not being able to smoke indoors."

Many businesses in Lee County have already gone smoke-free. The Lee Memorial Health System announced Friday that it will be tobacco free by Nov. 19.

In early June, the U.S. Congress passed a far-sweeping piece of legislation that empowers the Food and Drug Administration to demand changes to cigarette ingredients and marketing campaigns. Both houses passed the measure, which is expected to be signed later this month by President Barack Obama.

The Family Smoking Prevention and Tobacco Control Act grants the FDA power to regulate the chemicals or nicotine content in cigarettes and bans colorful tobacco advertisements in convenience or grocery stores. It's also designed to combat teen smoking by as much as 11 percent over the next decade, according to the Congressional Budget Office.