

NH Tobacco Tax Economic Impact Analysis Summary

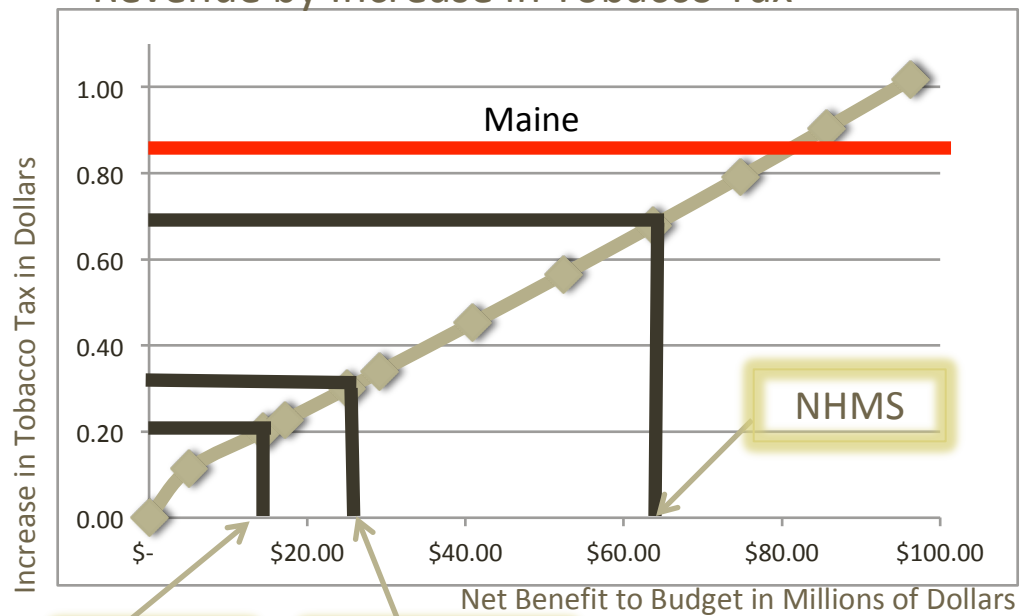
An original report by the
 New Hampshire
 Medical Society

- NH has 174,000 smokers leading to 1,700 deaths annually
- 19.4% of adults in NH smoke
- 57% of Medicaid beneficiaries smoke
- Annual NH health expenditures attributable to smoking are estimated at \$2,784.06 per smoker
- Annual NH general fund Medicaid expenditures for smoking are an estimated \$42.6 million and \$13.3 million for State employees

***\$0.68 tax increase**
 reduces Medicaid expenditures by
\$2 Million and
 creates
\$61.6 Million in
 new revenue*

Net benefits in new revenue and reduced Medicaid expenditures are optimized at \$0.68. The price per pack is still \$0.11 less than Maine and \$1.37 less than Massachusetts and Vermont.

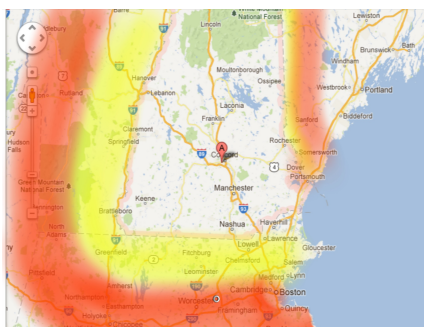
Revenue by Increase in Tobacco Tax



HB 659

Gov. Hassan

Price Sensitivity of Travel to Buy Cigarettes Across State Lines



Current break-even point noted in red; 90 miles for Vermont and Massachusetts visiting smokers and 38 miles for Maine.

Yellow represents new break-even distances; 8 miles for Maine and 60 miles for Vermont and Massachusetts with a \$0.68 tax increase

This analysis does not consider the other retail advantages N.H. enjoys, (lack of bottle bill, lack of sales tax, lower alcohol taxes, etc.), which mitigate some of the impact of an increased cigarette tax.

Cigarette

Per Pack Prices

NH Current	\$5.65
HB 659	\$5.85
Gov Hassan	\$5.95
NHMS	\$6.33
ME	\$6.51
MA/VT	\$7.70