Tobacco Tax Campaigns:
How Minnesota Raised it for Health in 2013

Pathways of Change
September 26, 2014
Overview

1. Developing the coalition
2. Setting the stage for success
3. Strategy and tactics
4. Final bill
5. Video- policy champions
Developing the Coalition
In 2005 partners came together to pass a statewide clean indoor air law
Members Included

• American Cancer Society
• American Lung Association
• American Heart Association
• Association for Nonsmokers-MN
• Blue Cross Blue Shield
• Health plans
• Hospitals
• Minnesota Medical Association
• And many others
Group Characteristics

• Intentional structure
• Trust between members
• Stay focused on primary goal
Freedom to Breathe Signed Into Law in 2007
Getting the Band Back Together
RAISE IT for health
Reduce Tobacco’s Harm in Minnesota

Cheap Tobacco is Not OK with me because.... I want to stop the addiction.

Cheap Tobacco is Not OK with me. Because it hurts growing babies.

My kids have Asthma!
2011- Group was ready to start tax campaign

- Put materials together
- Created website
- Regular coalition meetings
- Established committees
Committed to staying neutral on revenue dedication
• That was the right decision for MN
• Helped the coalition stay strong and united
• Made the bill more politically feasible
• Not necessarily the right decision for all states
2012 Tax Bill

• Champion= Sen. Carla Nelson (R)

• Dedicated revenue to offset business taxes and to pay back school shift
2013: The Stars Start to Align
We have a strong coalition

• One common goal – raise the tax for health
• 30+ organizations
• Strong branding and group identity
• Diverse group of stakeholders
New legislative environment provides an opportunity

- Democratic Governor, majority in the House and Senate
- The state of Minnesota needed revenue
Setting the Stage for Success
Our goal was a $1.50 tax increase
Stayed Focused on Health Messaging

$1.50 tax increase would:

• Help 36,000 MN smokers quit

• Prevent 47,000 kids from smoking

• Save 25,000 people from premature death
Coalition Branding

RAISE IT
for health

Reduce Tobacco’s Harm in Minnesota
Fact Sheet and Talking Points

Tobacco is still a big problem in Minnesota

This year, 7,000 Minnesota kids will take tobacco and 16 percent of Minnesotans still smoke. Smoking costs Minnesota $8 billion in excess health care costs and 5,000 Minnesotans will die from tobacco-related illnesses.6

Tobacco Price Increase - Key Messages

- 62%,000 Minnesota, 16 percent of the state’s population, still smoke.
- This year, 7,000 Minnesota kids will use tobacco.
- Smoking costs Minnesota $8 billion in excess health care costs.
- 3,000 Minnesotans die each year from tobacco-related illnesses.

A majority of Minnesotans support a $1.50 per pack increase, and support is growing.

60% of Minnesotans think Minnesotans do more to reduce the harm of tobacco.

56% of Minnesotans support a $1.50 per pack increase, which is more than 10 percentage points in the last two years.

A balanced approach that supports health

- Generates nearly $450 million in revenue for the first year.
- Raises the state’s $8.5 billion in long-term health care costs.
- Minnesotans current cigarette tax is $1.22 per pack, making Minnesota 24th among all states.

Tobacco kills more Minnesotans than alcohol, homicides, car accidents, AIDS, illegal drugs and suicide combined.

 Minnesota can do more.
 Raise the price of cigarettes by $1.50 per pack to:

- Prevent kids from smoking
  - 40 of 100 Minnesota kids will become adult smokers.
  - Youth smoking by 10 percent.
- Help current smokers quit and save lives
  - Help 1 million current Minnesota smokers to quit.
  - Save 20,000 Minnesota from premature smoking-related deaths.
  - Free cessation services are available to all Minnesotans through Quitplan.

Tobacco-related disease is regressive.

- African Americans are 30 to 40 percent more likely to die of lung cancer than their white counterparts.
- Diseases from commercial tobacco use such as heart disease, cancer, diabetes, stroke and lower respiratory disease are the leading cause of death for American Indians in Minnesota.
- Low-income smokers suffer disproportionately from the health effects of smoking, and are 70 percent more responsive to price increases.

Minnesota can do more to reduce tobacco’s harms.

- Increasing Minnesotans’ cigarette tax by $1.50 per pack, with a parallel increase on other tobacco products, would raise nearly $400 million for the biennium.
- A $1.50 per pack increase could save the state $4.5 billion in long-term health care costs.
- Minnesotans’ current tobacco tax is $1.22, making Minnesota 24th among all states.

Cheap tobacco prices only benefit the tobacco industry.
- The tobacco industry spends more than $250 million dollars each year in Minnesota trying to add new customers and keep people smoking.
- “When the tax goes up, the industry loses volume and profits in as many smokers cut back.”
  - Philip Morris USA

January 15, 2015
Paid Media Campaign: Tobacco is Still A Problem
## Bill Language

### House SF 79 - Offer 1

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<td>Total</td>
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### Federal Corporate Income Tax (proposed)

- Increase Section 17951, with 6% of gross rental income.

### State Taxes

- Increase individual and corporate income tax.
- Increase sales tax.
- Increase property tax.

### Special Taxes

- Tobacco Tax: $0.02 per pack.
- Motor Fuel Tax: 9.5 cents per gallon.
- Excise Tax: 10 cents per gallon.
- Motor Vehicle License: $50.
- Income Tax: 4.9%.
- Sales Tax: 6.875%.
- Property Tax: 10.5%.

### Public Health Law Center

- At William Mitchell College of Law
Developed legislative champions
Educating the Governor

• Initially unsupportive

• Concerned the tax was regressive

• Did not want to impose a burden on low-income Minnesotans
Our Message

• It is the tobacco-related **diseases** that are regressive.

• Low-income smokers suffer disproportionality.

• The only people that benefit from cheap tobacco are those in the tobacco industry.
A Great Champion in the Commissioner of Health
Priority populations carried the message
Priority Populations
Reached out to Governor

• 44 LAAMPP fellows and policy champions signed letter to governor

Leadership and Advocacy Institute to Advance Minnesota’s Parity for Priority Populations (LAAMPP) Fellows

October 10, 2012
The Honorable Mark Dayton
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Dayton:

In 2007, Minnesota made history by passing the Freedom to Breathe Act and protecting Minnesotans from the dangers of secondhand smoke. As we celebrate the fifth anniversary of this law, we know Minnesota is a better place. We have seen secondhand smoke exposure decline. We have healthier hospitality workers and we have cleaner air in bars and restaurants.

Minnesota has embraced the law, as support for the smoke-free law is a strong 79 percent. Minnesotans also overwhelmingly agree that smoke-free restaurants and bars are healthier for customers and employees. However, there’s still more work to be done. Each year, Minnesotans spend $3 billion in excess health care costs due to tobacco use and 5,100 Minnesotans die from smoking-related death and disease. (Blue Cross and Blue Shield of Minnesota, 2010) Most discouragingly, 6,800 Minnesota children become addicted daily smokers. (Campaign for Tobacco-Free Kids, 2011)

The African and African American, American Indian, Asian American and Pacific Islander, Chicano Latino and Lesbian, Gay, Bisexual and Transgender (LGBT) communities that we
The African and African American, American Indian, Asian American and Pacific Islander, Chicano Latino and LGBT communities that we represent are among those most affected by tobacco.
The tobacco industry heavily targets our communities, a fact proven by industry documents, creating significant health disparities.
We see firsthand that our communities suffer disproportionately from the consequences of tobacco including loss of money, loss of health and loss of life.
Research shows that higher tobacco prices benefit, rather than harm, our communities. That is why we are asking for your support to increase the price of tobacco.
Ultimately Gained Governor’s Strong Support
SENATE

.94

HOUSE

$1.60
Strategy and Tactics
Tobacco is still a problem in Minnesota

To the editor:
Minnesota has made significant progress over the past several years when it comes to reducing tobacco's harm, but the effects of tobacco in our state are still devastating. 625,000 Minnesotans still smoke, 77,000 Minnesota youth use tobacco, and the state loses 5,100 lives each year due to tobacco.

That's why I want to let you know about a new ad campaign ClearWay Minnesota is launching to remind Minnesotans that tobacco is still a problem.
The first of three TV ads started airing in November. It shows a man talking to someone and the two are smoking. The compelling and shocking ads aim to keep our collective attention on the devastating effects of tobacco in the hope that we can reduce tobacco's harm in our state.

Watch for the ads on TV. In the meantime, I urge you to visit www.tobaccofree.com.

Jane Nyquist
Owatonna

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**Cigarette tax increase**

Buying Minnesota better public health, lower health care costs

By Edward Ehlinger

Ninety-four cents isn't enough to buy you a pack of gum. It's not enough to buy a bus ride to work. In many cases, 94 cents isn't even enough to get you a can of soda from a vending machine.

But if we are smart about it, 94 cents may just buy Minnesota better public health and lower health care costs.

Gov. Mark Dayton's biennial budget proposes to increase the cigarette tax rate by 94 cents per pack, reducing cause of lung cancer. We pay emotionally with the death and disability tobacco inflicts on our family and friends. And we pay financially with Minnesota medical costs due to tobacco estimated at $2.87 billion a year.

Tobacco use remains America's and Minnesota's single most preventable cause of death and disease.

Increasing the tax rate for cigarettes and other tobacco products will have significant benefits for public health and
Social Media
Paid Media

- National support
- Coalition branded
- Targeted in districts
- Kids, health message
Strong Grassroots Network

• Sent out action alerts statewide

Dear Alexis,

A few weeks ago, I told you about bills in the Minnesota House of Representatives that would close the “little cigar” loophole and increase the price of tobacco. I’m happy to share that those bills are still alive and being considered for inclusion in the final tax package. I’m even happier to report that this week, the Minnesota Senate will be considering similar bills.

On Thursday, the Senate Tax Reform Division is hosting a hearing specifically dedicated to tobacco tax. We again need your help to show legislators – this time Senators – how raising the price of tobacco will help improve the health of Minnesotans, particularly youth.

Please take a minute to send a message to members of the Senate Tax Reform Committee encouraging them to increase the tobacco tax.

Thanks for your support and be sure to follow @Raising4Health on Twitter for live updates from the hearing Thursday morning.

Best,

Alexis Bylander
ClearWay Minnesota®
Strong Grassroots Network

• Days at the Capitol
Strong Grassroots Network

• Local events around the state
Testimony

- Supported legislative champions and governor
- Provided unique voices, perspectives
  - Priority populations
  - Youth
Direct Lobbying
Conference negotiations result in House tobacco tax proposal in final bill
Victory!

Governor Dayton signs tobacco tax increase into law
Final Bill
Raised the tax on a pack of cigarettes

$1.60
Closed the “little cigar” loophole

Changed definition of cigarette to include so-called little cigars
Created a minimum tax on moist snuff

95% of wholesale price or $2.83, whichever is greater
Increased tax on OTPs

The tax on OTPs such as chewing tobacco, snus, dissolvables, and the nicotine cartridges in e-cigarettes increased from 70% of wholesale price to 95% of wholesale price.
Tax on premium cigars

95% of wholesale price or $3.50 per cigar, whichever is less
Bottom line= it was a great bill!
We celebrated and thanked everyone
Media and QUITPLAN Promotion

- **Smoking is expensive. Quitting is free.**
  FREE gum, patches & lozenges for eligible smokers.

- **Your reason to quit smoking just went up $1.60 a pack.**
  Get FREE help to quit smoking.

- **There's one sure way to avoid the cigarette tax increase.**
  Get FREE help to quit smoking.
QUITPLAN Services received an average of 272 percent more requests in the first two weeks of July 2013 than the same two weeks in 2012.
In Summary
Summary

• Minnesota’s 2013 tobacco tax increase was a BIG win for health

• The tax increase significantly raised the price of cigarettes and OTPs

• Many organizations, working together made this success possible