

## WHY CALIFORNIA BUSINESSES SUPPORT THE TOBACCO TAX

The Tobacco Tax Act of 2006 achieves two goals: it will reduce smoking, especially among kids, and fund critical healthcare priorities such as disease prevention, medical research, children's health insurance and emergency room care.

Tobacco use in California hurts the economy, the healthcare system and individual taxpayers. California businesses have a vested interest in the well-being of California's healthcare system. Healthcare affordability in conjunction with healthier Californians remains a top priority for businesses large and small across the state.

- Healthcare will account for 1 in 5 dollars spent in the United States by 2015.<sup>1</sup>
- The U.S. Centers for Disease Control and Prevention estimates that the economic cost of smoking includes \$75.5 billion a year in direct healthcare expenses.<sup>2</sup>
- California taxpayers are currently paying \$8.6 billion annually in healthcare costs related to smoking.<sup>3</sup> Whether you smoke or not, that's more than \$860 a year for every family.
- Smoking remains the number one cause of preventable death and disease: 42,000 Californians annually die of smoking-related diseases.<sup>4</sup>
- According to a recent statewide survey conducted by the Small Business California, a nonpartisan statewide advocacy group, about 91 percent of the 500 small business owners surveyed said rising healthcare costs were a "top priority" or "high priority."<sup>5</sup>
- Improving California's healthcare system improves the health of all Californians. Healthier Californians equate to a healthier workforce.

The Tobacco Tax Act of 2006 is supported by a broad coalition, including the American Cancer Society, American Heart Association, and the American Lung Association. They are sponsoring this initiative because it will help keep kids from starting to smoke. They are also sponsoring this initiative because it provides immediate and tangible solutions to some of California's major health challenges.

The initiative puts in place strict safeguards and audits to ensure that funds go exactly where voters intend. Legislators will not be able to raid the trust funds.

<sup>1</sup> *Los Angeles Times*, February 22, 2006

<sup>2</sup> *Los Angeles Times*, February 21, 2006

<sup>3</sup> "The Cost of Smoking in California," 1999, California Department of Health Services

<sup>4</sup> U.S. Surgeon General and California Department of Health Services

<sup>5</sup> *The Sacramento Bee*, March 24, 2006