

DAILY NEWS CLIPS

May 1, 2012

ROLL-YOUR-OWN CIGARETTE TAX GETS FINAL PASSAGE

By Blake Farmer

WPLN –Nashville Public Radio (TN)

April 30, 2012

Stores where customers can buy raw tobacco and roll their own cigarettes will begin paying higher taxes under legislation that has now passed the full General Assembly.

The roll-your-own approach has been under scrutiny as a way to dodge the taxes levied on a conventional pack of smokes.

Stores that specialize in the do-it-yourself approach say the new taxes could put them out of business. They go into effect July 1st of next year.

Originally published here: <http://wpln.org/?p=36765>

ROLL-YOUR-OWN CIGARETTE MACHINE MAKERS OBJECT TO PROPOSED TAX HIKE

By Dave Dahl

CBS 2 Chicago

May 1, 2012

A bill awaiting a Senate vote is either about tax fairness or about big business getting bigger. As WBBM Newsradio's Dave Dahl reports, it depends on whom you believe.

Right now, it's much cheaper to buy tobacco in bulk, buy some paper tubes, and put it all into a cigarette-making machine.

A roll-your-own machine can produce a carton's worth of cigarettes for about \$20, as opposed to the \$50 or more you would pay for the leading national brand at a convenience store.

State Sen. Terry Link (D-Waukegan) wants to change that.

“This sets forth a tax and regulatory scheme that would treat roll-your-own cigarettes like regular retail cigarettes, thus closing the tax loophole,” Link said.

But not everyone agrees that tax fairness is the motivation.

“This is not about taxes,” said Phil Accordino, president of Ohio-based RYO Machine LLC, which makes cigarette-rolling machines. “This is about legislating winners and losers.”

Advocates of the “roll your own” industry have said all the bill would do is encourage the customers – who already pay some tax – to go out of state or to the Internet. Owners of roll-your-own shops in Worth and Peoria have described themselves as job creators who would have to put their employees out of work if the bill passes.

Senators admit big tobacco is supporting Link’s bill.

Transcript and Audio Here : <http://chicago.cbslocal.com/2012/05/01/roll-your-own-cigarette-machine-makers-object-to-proposed-tax-hike/>

A DIFFERENT KIND OF CIGARETTE TAX HIKE PROPOSAL

By Dave Dahl
WJBC Radio (IL)
May 1, 2012

Cigarette smokers who want to save money can use a rolling machine and fill it with paper tubes and bulk tobacco.

Under a bill awaiting a Senate vote that would change. The reasons vary, depending on who’s speaking.

State Sen. Terry Link (D-Waukegan) has introduced a bill, with the approval of tobacco giant Altria (formerly known as Philip Morris), which would tax cigarettes from “roll-your-own” (RYO) machines at the same rate as the mass-produced kind most smokers buy.

Phil Accordino, president of RYO Machine, L. L. C., said Link’s bill is nothing more than an attempt to put another notch in Altria’s belt.

“This is about legislating winners and losers,” he said.

Altria is one of Link’s campaign contributors.

Link said the tax benefit to Illinois could be in the “hundreds of millions of dollars” if his bill passes.

Originally published here: <http://wjbc.com/a-different-kind-of-cigarette-tax-increase-proposal/>

MISSOURI GOVERNOR STAYS OUT OF TOBACCO TAX DEBATE

By Elana Gordon

KCUR –Kansas City Public Radio (MO)

April 30, 2012

While supporters of raising Missouri's cigarette tax wrap up their petition gathering efforts in the next week, Missouri Governor Jay Nixon has reaffirmed his distance from the initiative. The Associated Press reports:

Nixon said Monday his focus is "to hold the line on taxes" but Missouri voters are entitled to voice their own opinions at the ballot box...The state auditor estimates the initiative would generate between \$283 million and \$423 million annually for Missouri's budget. Asked if he would encourage voters to support the initiative, Nixon replied that he does not intend to get involved in any significant way.

Missouri's Attorney General, on the other hand, recently stepped into the crossfire. Earlier this month, Chris Koster mapped out his case for raising the tax in an op ed in the Kansas City Star:

The current budget and health problems facing our state are equally well known. Missouri spends more money under Medicaid to provide health care for smoking-related illnesses than we collect from the entire cigarette tax. In 2004, the Centers for Disease Control estimated that tobacco-related illnesses cost our state's Medicaid program \$532 million, and these costs have only skyrocketed with inflation. Yet Missouri collected just \$90 million last year in cigarette taxes. Viewed through this lens, the General Assembly is subsidizing sick smokers more than \$400 million annually. Under current tax law, Missouri has become an enterprise zone for cigarettes. I'm a strong supporter of enterprise zones, but not for cigarettes.

The American Cancer Society has been leading efforts to up the cigarette tax. The group filed a ballot proposal last fall to bring the state's cigarette tax to 90 cents a pack. It currently stands at 17 cents a pack, the lowest in the country. If the group collects enough signatures and if a court strikes down a legal challenge to the ballot language, residents can expect to vote on the issue in November.

Originally published here: <http://www.kcur.org/post/missouri-governor-stays-out-tobacco-tax-debate>

MISSOURI VOTERS PUSHING CIGARETTE TAX HIKE

NACS Online

May 1, 2012

Signature drive would place a cigarette tax increase on the November ballot, the third time this decade that a proposal to raise cigarette taxes has appeared on the statewide ballot.

A group of Missourians seeking to raise Missouri's lowest-in-the-nation state cigarette tax are expected to submit signature this week to the state that would put the issue on the November ballot, the Kansas City Star reports.

The proposal calls for raising Missouri's 17 cents per pack cigarette tax to 90 cents, with the additional money used to fund education and smoking prevention and cessation. Taxes on other tobacco products would also increase.

Supporters of the measure say the goal is improving public health by preventing young people from starting smoking, while getting adults to stop.

"Most people are looking for a reason to quit," said Misty Snodgrass of the American Cancer Society. "Tobacco and cigarettes are not an essential life benefit, it's not like rent or food. So people make those choices whenever it does become more expensive."

In preparation for the tobacco tax ballot measure, which is due in the secretary of state's office May 6, a trial judge in Cole County has already scheduled a legal challenge to the proposal.

Assuming the measure clears the signature challenge and legal hurdle, this would be the third time this decade that a proposal to increase tobacco taxes has appeared on the statewide ballot. Previous efforts were defeated in 2002 (55-cents per pack increase) by 31,000 votes and 2006 (80 cents per pack increase) by 61,000 votes.

Ron Leone, executive director for the Missouri Petroleum Marketers & Convenience Store Association, said the existing federal, state and local government taxes paid on cigarettes is already sufficiently high, adding that focusing on just the state tax of 17 cents can be misleading. At the same time, he endorsed a plan that would gradually increase the state cigarette tax to 33 cents after four years. He said maintaining low taxes enables the state to attract customers from other states, who purchase tobacco products and other items from Missouri cigarette retailers.

"We believe being a low-tax state is a good thing," Leone said. "We're not embarrassed by the fact that we're the lowest tobacco taxed state in the country. We don't have a problem with that. We think that's a good thing."

Originally published here: <http://www.nacsonline.com/NACS/News/Daily/Pages/ND501123.aspx>

TRI-STATE RESIDENTS FUMING OVER POTENTIAL CIGARETTE TAX

By Brooke Hasch
Connect Tri-States (MO)
April 30, 2012

A potential price hike for tobacco products in Missouri has ignited concerns among Tri-States smokers.

Some interest groups are seeking to raise Missouri's lowest-in-the-nation cigarette tax. They've petitioned to put the issue before voters. They submit signatures to the secretary of state's office by May 6.

The tobacco tax proposal would increase Missouri's 17-cent cigarette tax by 73 cents per pack adding up to a dollar in tax. The money would go toward smoking prevention programs. The American Cancer Society says a higher tax would help curtail teen smoking and get adults to quit.

"We have a lot of business from Illinois because of the prices over there. If our prices go up, it'll just push them to go somewhere else. They're still going to buy their cigarettes," Shandi Adkinsson, with Smoke House Discount Tobacco in Hannibal said.

One of Hannibal's biggest critics on smoking in public agrees.

"I don't think it's going to be viewed favorably. I think like any taxation, citizens will take objection to it," Dr. Richard Draper, with Hannibal Regional Hospital said.

But Draper does acknowledge the potential gains from a tax increase.

"It's a good way to raise money. It really sends the message that, if we're going to pursue these types of habits, we're going to have to pay for them," Draper said.

Staff at the Smoke House say this tax would only hurt local businesses.

"The ones that really want to smoke, yes, they'll figure out a way to. But the ones that are limited, budgeted monthly, it's definitely going to hurt them," Feleicia Martin, the manager of Smoke House said.

"I'm on a fixed income, and I think any tax rate is terrible. They're already getting enough," Lannie Smith said. Smith is an Illinois resident who buys his tobacco products in Missouri.

"For most smokers, it's a necessity, like gas. You have to have it. You're going to pay a dollar more for gas to go back and forth to work and to do what you need to do. You're going to pay an extra dollar for cigarettes," Adkinsson said. "We already pay a tax for our cigarettes. I think it's a freedom that's being taken away from us, and we're being harshly punished and put out, literally put out,"

Originally published here: <http://www.nacsonline.com/NACS/News/Daily/Pages/ND501123.aspx>