

DAILY NEWS CLIPS

May 15, 2012

WASHINGTON TO DOUBLE RYO TAXES

NACS Online
May 15, 2012

A carton of roll-your-own cigarettes in Washington State is on track to increase from \$40 to \$80 in July.

Beginning in July, a carton of roll-your-own cigarettes in Washington state will double in price, from roughly \$40 to \$80 as a RYO tax increase takes effect, Q13 Fox reports.

Washington's RYO industry has proliferated in recent years, and there are now about 65 outlets around the state. Those storeowners are threatening to sue over the imminent tax increase. Furthermore, they contend the new tax is unlikely to generate the \$12 million in revenue that lawmakers predict.

Some lawmakers are crying foul about the measure, alleging it violated the state's voting rules by establishing a new tax without the sufficient number of votes. However, proponents of the change counter that there is no new RYO tax and that the increase is an extension of an existing tax to a product that is enjoying a tax loophole.

Read more on roll-your-own cigarettes in the January issue of NACS Magazine.

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LANE ANNOUNCES PARTNERSHIP WITH ADVANTAGE SALES & MARKETING

CSP Daily News
May 14, 2012

Will help manage expansion planned through 2012, beyond

Lane Ltd. has announced a new strategic partnership with Advantage Sales & Marketing (ASM) that went into effect May 7. In an ongoing effort to strengthen customer relationships, enhance distribution and provide quality customer service, Lane is joining forces with ASM, a leading U.S. sales and marketing agency for consumer packaged goods.

"I am extremely excited about our new alliance with Advantage Sales & Marketing. Their expertise in building and launching brands provides Scandinavian Tobacco Group Lane the opportunity to expand our reach and execute more effectively with our valued customers," said Kelly Michols, managing director. "With the addition of the ASM Team, our sales force is now capable of managing the expansion that's planned through the remainder of 2012 and beyond."

Founded in 1987, Irvine, Calif.-based ASM offers customized sales and marketing solutions that include headquarter sales, retail merchandising and marketing services, specialized client and customer events, publication and assisted-selling services. The company services grocery, club, convenience, natural/specialty and other channels.

Tucker, Ga.-based Lane manufactures and sells a variety of pipe tobacco and little cigars for the U.S. market. The portfolio includes Captain Black Pipe Tobacco, Winchester and Captain Black Little Cigars and Bugler Roll Your Own products. Lane was founded in 1890. The company has had various owners since 1983 and was part of Reynolds America from 2004 until acquired by Scandinavian Tobacco Group on March 1, 2011. Copenhagen, Denmark-based Scandinavian Tobacco Group is a leading manufacturer of machine-made cigars and pipe tobacco.

Originally published here: <http://www.cspnet.com/news/tobacco/articles/lane-announces-partnership-advantage-sales-marketing>

MIKE'S BID TO KICK BUTTS IN CALIF. VOTE

By David Seifman
New York Post
May 15, 2012

Mayor Bloomberg is taking on the tobacco industry again — only this time, in California.

Reaching across the country, the mayor yesterday pledged up to \$500,000 to support a June 5 referendum to increase California's tax on a pack of cigarettes from \$1 to \$1.87.

The mayor said he was putting up the money to help counter a \$40 million ad campaign by tobacco companies to defeat the measure, Proposition 29.

"It's time to level the playing field," Bloomberg said.

Deputy Mayor Howard Wolfson said health groups supporting the ballot proposition have spent about \$5 million.

Olympic bicycle champ Lance Armstrong, a pal of the mayor's, is leading the effort. Bloomberg has offered to match new donations up to \$500,000.

California is 33rd in the nation when it comes to taxing cigarettes. New York is No. 1, at \$4.35 a pack.

Advocates say Prop 29 would produce \$735 million a year for cancer research.

Originally published here:

http://www.nypost.com/p/news/national/mike_bid_to_kick_butts_in_calif_6cHO5wJjKnU0ivJVF1SBxJ

CIGARETTE TAX IS A LIFESAVER

By George Skelton

Fox 40—Sacramento, California

May 14, 2012

Tobacco companies are taking aim at Proposition 29, which would raise cigarette taxes \$1 a pack. But they're blowing smoke.

Cigarette makers have a certified history of deception, distortion and lying. And let's not forget fraud and racketeering.

Those aren't my words. Credit U.S. District Judge Gladys E. Kessler of Washington, D.C.

She wrote in a landmark 2006 ruling that for more than 50 years the tobacco industry had "lied, misrepresented, and deceived the American public, including smokers and the young people they avidly sought as 'replacement smokers,' about the devastating health effects of smoking."

Moreover, she said, "they suppressed research, they destroyed documents, they manipulated the use of nicotine so as to increase and perpetuate addiction, they distorted the truth ... so as to discourage smokers from quitting."

The judge went on and on, and here's just one more shot: "Their lethal product" causes "an immeasurable amount of human suffering and economic loss and a profound burden on our national healthcare system."

Kessler found the major cigarette makers guilty of fraud and racketeering under the federal RICO Act. The Supreme Court later rejected, without comment, the tobacco companies' appeal.

So, among other sins, the tobacco industry has suppressed research, distorted the truth, profited from human suffering and driven up healthcare costs.

One could argue that this sordid history does not necessarily mean they're distorting and deceiving in their current campaign ads attacking Proposition 29, the California ballot measure that would raise cigarette taxes \$1 per pack to finance cancer research — and which is very likely to reduce tobacco profits by prompting smokers to quit and teens to never start.

Maybe tobacco companies can kick the habit of prevarication. Maybe a leopard can change its spots.

But voters should be a mite skeptical.

This came to mind as I watched a tobacco-funded TV ad featuring a male actor in a white lab coat. He was saying that Prop. 29 would impose "nearly a billion dollars in new taxes on California" — actually about \$800 million and all of it on tobacco users — but that the measure wouldn't require the money to be spent in this state.

The anti-29 side is hitting this hard: that the research money generated in California could be spent out of state. And the politest thing possible to say about that claim is that it's disingenuous. It's stretching something that's conceivable into a virtual certainty.

The measure's text does state that "all qualified [researchers], regardless of institutional affiliation, shall have equal access and opportunity to compete for the funds."

But right up front, Prop. 29 declares that its purpose is to fund "grants and loans for ... research in California to enhance the state of medical knowledge regarding ... cancer, cardiovascular disease, emphysema and other tobacco-related illness."

And, it continues, the aim is to fund "creation, staffing and equipping of California research facilities...."

So the measure's stated intent is to create jobs, equip facilities and conduct research in California.

"The likelihood of money being spent out of state is extremely remote," says Jim Knox, California lobbyist for the American Cancer Society and chief spokesman for Prop. 29. "If it were, based on the measure's expressed purpose that could be the subject of a lawsuit."

I asked former state Senate leader Don Perata, the originator of Prop. 29, why a specific spend-in-California requirement was not included in the legal language.

"In today's global economy, it's not at all uncommon for a Stanford, a UCLA, a UC San Francisco to work in collaboration with a John Hopkins, a Mayo Clinic, a Harvard Medical School," said the Oakland Democrat, who had prostate cancer.

"Why should a pinhead like me tell one of these great institutions that it can't collaborate with someone? We want the best and the brightest to be able to work together."

The nine-member oversight commission awarding the contracts would be all-Californian and mostly tied to research institutions here. Three would be directors of major cancer centers and three would be chancellors of UC campuses that do bioscience research.

"Almost by definition, these commissioners will be looking at California research facilities," Perata said.

The anti-29 camp charges that would allow a conflict of interest in awarding contracts. But there are state laws that protect against such conflicts.

Anyway, the tobacco crowd can't have it both ways: complaining that the money could be spent outside California and also griping when the system is set up to practically guarantee that it will be spent in California.

There's a common misconception that ample cancer research already is being conducted. In truth, the federal government has been cutting back on grants.

"Fundraising has been difficult," says Dr. Judith Gasson, director of the UCLA Jonsson Comprehensive Cancer Center.

"But we are in a time of enormous research promise — really right on the edge of personalized medicine, using drugs that are less toxic and more effective for the individual patient, rather than one size fits all."

"California is such a rich source of biomedical research," Gasson adds. "If we can provide enriched funding for cancer research, we'll be able to keep the good people we have and continue to recruit the best and brightest from around the world."

At Stanford, oncology professor Dr. George Fisher says: "Can you imagine the irony of tobacco money contributing to cancer research? Tobacco causes a third of all cancer deaths. It's a perfectly justifiable use of that money, and there's no better time to use it."

The cigarette makers really couldn't care less about where the research funding is spent. They're only worried about whether Californians will continue to buy smokes and send money to out-of-state tobacco companies.

Prop. 29 would increase cancer research. Reduce smoking. Save lives. Hurt the lying tobacco companies. Good plan.

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READER REBUTTAL (JANE WARNER): PROP. 29 TOBACCO-TAX INITIATIVE

Opinion by Jane Warner, President, CEO, American Lung Association in California

The Orange County Register (CA)

May 14, 2012

If you think Big Tobacco cares about California, then it's time to think again. Smoking kills, and it also costs. We all pay a price.

Here's the bottom line: if you vote no on Proposition 29, the initiative on the June 5 ballot that will add \$1 to a pack of smokes, then you're willing to pay the \$16 billion in health care costs for smokers out of your own pocket.

Big Tobacco is trying to steal this election with their big money. They've already pumped about \$30 million into the campaign to defeat Prop. 29, and surely Big Tobacco will toss in millions more.

So, the question is why? Is Big Tobacco trying to protect innocent schoolchildren? They want you to think that, but they don't care about our kids. In fact, each year they successfully get 34,000 of them to start smoking just in California.

Is Big Tobacco so concerned with California's budget woes that they want to save us from ourselves? Try again. Big Tobacco doesn't give a Central Valley fig if we slip into the Pacific as long as all the smokers manage to make it to Nevada first.

Big Tobacco's products kill Californians at an alarming rate. Think about this: nearly one in two Californians born today will get cancer in their lifetime, and nearly one in five will die. Which members of your family will that include?

Tell the cancer survivors and all those California families who've suffered painful losses that there's already plenty of money for cancer research, as the Register suggests ["Bad way to fund a good cause," Editorial, May 1], and they'll tell you you're crazy because they know every dollar gets us closer to a cure.

All of the arguments against Prop. 29 are paid for by Big Tobacco – every single one. Prop 29 will not hurt schools. It doesn't take one dime from the education system. Yes, it won't help the state budget because it has nothing to do with the budget. Prop. 29 generates new money paid only by those who buy tobacco. If you don't smoke, you don't pay.

In contrast to what out-of-state tobacco companies want you to believe, Prop. 29 will help our economy. Over the next five years this measure will reduce taxpayer exposure to the \$32 billion in health care costs caused by Big Tobacco's deadly products. Even more, this initiative will create almost \$2 billion in new economic activity – because former smokers will spend their money on other things in California – and it will create 12,000 new jobs.

Join the American Cancer Society, the American Heart Association, the American Lung Association and thousands of cancer survivors, including Lance Armstrong, and vote Yes on Prop. 29 on June 5.

Originally published here: <http://www.ocregister.com/opinion/tobacco-354049-big-prop.html>

SENATE POISED TO VOTE ON INCOME TAX, TOBACCO TAX HIKES

WTOP Maryland
May 15, 2012

The Maryland Senate is poised to vote on a package of budget measures in a special session.

The Senate is set to take a vote needed to send the legislation to the House of Delegates on Tuesday.

The special session, which began Monday, has been called by Gov. Martin O'Malley to avert about \$500 million in cuts triggered by a "doomsday budget" that was triggered when lawmakers failed to pass a package of legislation during the regular 90-day session last month.

The package includes tax increases on people who make more than \$100,000 a year and a split of teacher pension costs during the regular 90-day session in April.

It also includes increases on taxes for tobacco products other than cigarettes.

Democrats say the new revenues are needed to avert more than \$500 million in cuts from a so-called "doomsday budget" that was triggered at the end of the regular session to fill the hole created by the failure of the new tax revenue.

"In general, I think this is the responsible thing to do," House Speaker Michael Busch, D-Anne Arundel, told reporters. "We worked on it for 90 days. We're back here, unfortunately, because we didn't complete the job in that period of time. There's not a whole lot of change in the philosophy of what's taking place."

Lawmakers don't expect the divisions this time that derailed the budget package last month. A controversial proposal to expand gambling has been taken out of the debate for another special session later. Disagreements between the House and Senate on the revenue package also have been put to rest.

"That's been ironed out," said Delegate Kumar Barve, D-Montgomery. The tax increases mirror the ones approved by a panel of House and Senate negotiators on the last night of the regular session. They will affect about 16 percent of the state's top taxpayers.

Single filers who make between \$100,001 and \$125,000 and joint filers who make between \$150,001 and \$175,000 will see their state income tax rate rise from 4.75 to 5 percent.

Rates for single filers who make between \$125,001 and \$150,000 would rise from 4.75 to 5.25 percent. The 5.25 percent rate would apply to joint filers who make between \$175,001 and \$225,000.

Rates would rise from 5 percent to 5.5 percent for singles who make between \$150,001 and \$250,000 and joint filers who make \$225,001 to \$300,000.

Single and joint filers who make more than \$250,000 would pay 5.75 percent.

"It's a small amount to pay for living in this great state and this great country," Senate President Thomas V. Mike Miller, D-Calvert, told reporters after an organizational session Monday morning.

But Republicans denounced the special session as unnecessary. They say the state could live with the reductions already in place.

"We need to have self-control, and we need to live within the budget we have," said Sen. Edward Reilly, R-Anne Arundel, speaking at a morning news conference with other Maryland Republicans.

Sen. Nancy Jacobs, R-Harford, criticized Democratic Gov. Martin O'Malley for calling the special session, saying he's out of touch with ordinary state residents.

"He has no idea what the citizens of this state are going through," Jacobs said.

Democrats countered that the cuts would hurt the state far more than the tax increases would affect people whose incomes are over \$100,000 a year.

Delegate John Bohanan, D-St. Mary's, noted that college tuition would rise by hundreds of dollars. He also said the cuts to state agencies in the "doomsday budget" would have a serious impact on state government that already has been reduced after years of cuts caused by the recession and its aftermath.

"We are here as state legislators to run state government," Bohanan said. "We've got to start worrying and focusing on the health of our state government."

Joe Bryce, O'Malley's chief legislative officer, pointed out that O'Malley would have to make more cuts through the Board of Public Works with action by the Legislature, because the state's budget is about \$71 million out of balance.

"This is actually one of the more stark choices we've ever been presented with, because we know what is going to happen come July 1 if we don't act," Bryce told the House Appropriations Committee.

Lawmakers are aiming to reduce an ongoing budget deficit of about \$1.1 billion by about half. They are planning to address the other half of the structural deficit next year.

Many of the cuts in the "doomsday budget" would affect education and state agencies.

For example, the Geographic Cost of Education Index, which helps parts of the state where schooling costs more, would have been eliminated to save about \$129 million. Public higher education would be cut by 10 percent to save \$38.5 million. Legislative scholarships awarded by lawmakers would be cut as well to save about \$12 million.

State employees also would feel the pain without the revenue plan. Cost-of-living adjustments for state employees would be cut to save \$33.8 million. There would be 500 state jobs eliminated to save about \$30 million.

Besides the revenue measure that failed in the regular session, the General Assembly failed to pass a budget reconciliation measure needed to balance the state's books. That bill included a split of teacher pension costs to the counties, as well as tax increases on tobacco products other than cigarettes. Those provisions also are being taken up in the special session.

Taxes on "little cigars" would increase from 15 percent of wholesale to 70 percent. Taxes on smokeless tobacco such as snuff would rise from 15 percent to 30 percent. There would be no change on premium cigars.

For the teacher pension split, about 50 percent of the cost would be split in the first year, 65 percent in the second, 85 percent in the third and the rest in the fourth year. The state currently pays the entire pension cost, which has gone up sharply in recent years.

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BILL WOULD CLOSE TAX CODE LOOPHOLE ON ROLL-YOUR-OWN TOBACCO

By Join Together Staff

The Partnership at Drugfree.org

May 14, 2012

Three U.S. senators have introduced legislation that would close loopholes in the tax code that allow tobacco manufacturers to avoid the federal cigarette tax and the roll-your-own tobacco tax.

Since pipe tobacco is taxed at a lower rate than cigarettes, some companies are offering customers the option of buying pipe tobacco, and allowing them to roll their own cigarettes to avoid paying the federal cigarette tax, CSPnet.com reports.

Senators Dick Durbin of Illinois, Frank Lautenberg of New Jersey and Richard Blumenthal of Connecticut have introduced the Tobacco Tax Equity Act, which would establish the tax rate on all tobacco products at the same per-unit level as cigarettes. The bill is designed to eliminate the current tax incentive for tobacco manufacturers to label roll-your-own tobacco as pipe tobacco in order to sell their product at a lower cost, according to the senators.

A recent report by the General Accountability Office (GAO) found the sales of pipe tobacco surged after the federal government imposed a 2,000 percent increase in taxes on roll-your-own tobacco and small cigars.

The federal excise tax on cigarettes rose 158 percent in 2009, in order to pay for an expansion of the State Children's Health Insurance Program. The government anticipated that smokers—particularly teens—might switch from cigarettes to roll-your-own tobacco and small cigars, which was then taxed at a lower rate. Therefore it raised taxes on roll-your-own tobacco from \$1.10 per pound to \$24.78 per pound; the tax on small cigars rose from \$1.83 per pound to \$50.33 per pound.

The tax on pipe tobacco rose at the same rate as the cigarette tax, increasing from \$1.10 per pound to \$2.83 per pound. Since those changes took effect, roll-your-own tobacco sales have decreased 74 percent, while pipe tobacco sales have increased more than nine-fold, according to the GAO report.

Originally published here: <http://www.drugfree.org/join-together/tobacco/bill-would-close-tax-code-loop-hole-on-roll-your-own-tobacco>

DURBIN, LAUTENBERG, BLUMENTHAL INTRODUCE LEGISLATION TO CLOSE TOBACCO TAX LOOPHOLES

Submitted by Patricia Williams

PoliticalNews.me

May 14, 2012

Legislation follows CDC Report that found \$1.3 billion in lost revenue for state and federal governments as a result of roll-your-own tobacco relabeled as pipe tobacco

U.S. Senator Dick Durbin (D-IL) was joined by Senators Frank Lautenberg (D-NJ) and Richard Blumenthal (D-CT) to introduce the Tobacco Tax Equity Act to close loopholes in the tax code that allow tobacco companies to avoid the federal cigarette and roll-your-own (RYO) tobacco tax. Because pipe tobacco is taxed at a lower rate than cigarettes, some companies have begun offering the option of purchasing pipe tobacco and allowing customers to roll their own cigarettes to avoid paying the federal cigarette tax

“The current loopholes in the taxes on tobacco products encourage the use of products like pipe tobacco, smokeless tobacco, and “nicotine candies” as a cheap source of tobacco, particularly among young people. This difference in tax rates doesn’t make sense, and we are already seeing tobacco manufacturers abusing them by changing the labels on their products to avoid paying the higher tax. This bill will stop tobacco manufacturers from gaming the system and protect more children and teens from this dangerous habit,” Durbin said.

“These loopholes are another egregious example of tobacco companies putting the bottom dollar over public health the wellbeing of our children,” said Lautenberg. “This legislation will stop big tobacco from exploiting loopholes that cheat the government out of tax dollars. If companies won’t do what is right, then we will by working to pass this bill and close the loopholes.”

“Incredibly, the tobacco industry continues to seek profits by addicting children and avoiding taxes. I am proud to cosponsor the Tobacco Tax Equity Act to eliminate disparities in tobacco tax rates, closing a harmful loophole in our tax code that taxes repackaged pipe tobacco and other tobacco products at lower levels than cigarettes, small cigars, and roll-your-own tobacco. This bill equalizes the federal tax rate for all tobacco products to that of cigarettes. It will generate more than a billion dollars in revenue, and help prevent young people from beginning a deadly addiction,” Blumenthal said.

Last month, a Government Accountability Office report found that RYO tobacco products are currently being sold in packages labeled as pipe tobacco – which is taxed at a lower rate – with no change to the product. In addition, a recent report by the Centers for Disease Control and Prevention (CDC) revealed more than \$1.3 billion in lost state and federal revenue as a result of tobacco manufacturers relabeling RYO tobacco as pipe tobacco. By establishing tax parity and closing loopholes in the tobacco tax code, this bill would generate approximately \$4 billion in revenue over 5 years.

The Tobacco Tax Equity Act would create tax parity by establishing the tax rate on all tobacco products at the same per unit level as cigarettes. Under current law, small cigars and RYO tobacco products are taxed at the same level as cigarettes; however, cigars, smokeless tobacco, and pipe tobacco are taxed at a dramatically lower rate. As a result, some businesses have begun offering customers the option of purchasing under-taxed pipe tobacco or RYO relabeled as pipe tobacco and renting time on cigarette making machines in order to avoid paying the federal cigarette tax. This legislation would eliminate the current tax incentive for tobacco companies to falsely label RYO tobacco as pipe tobacco in order to sell their product at a lower cost.

In a letter to Durbin, American Cancer Society Cancer Action Network President Christopher Hansen, American Lung Association President and CEO Charles Connor, American Heart Association CEO Nancy Brown, and Tobacco-Free Kids President Matthew Myers said, “Creating a more equitable tax system, free of loopholes, will help prevent young people from starting to use tobacco products and help current

users to quit.” The Tobacco Tax Equity Act is also supported by American Public Health Association.

Every year, tobacco use kills 443,000 Americans, most of whom started using tobacco as teenagers. Although significant progress has been made to reduce tobacco use among adolescents and young adults, nearly one in four high school seniors and one in three young adults under 26 still smoke. A recent report by the Surgeon General labeled tobacco use a “pediatric epidemic” that will kill one out of every three young smokers.

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“TOBACCO TAX EQUITY ACT” INTRODUCED, INCLUDING POSSIBLE TAX ON E-CIGARETTES?

By Troutman Sanders Tobacco Law Team

Tobacco Law Blog

May 14, 2012

Last week, anti-tobacco Senators Durbin (D-IL), Lautenberg (D-NJ) and Blumenthal (D-CT) introduced the so-called “Tobacco Tax Equity Act,” Senate Bill 3081. Similar in form to legislation previously introduced by Senator Harkin (which has yet to get a hearing), the bill purports to equalize taxes for various types of tobacco products.

Specifically, the bill would:

- Raise the pipe tobacco rate by almost 800%, from \$2.83 per pound to \$24.78 per pound (equivalent to the rate for roll-your-own tobacco)
- Raise the snuff rate by almost 800%, from \$1.51 per pound to \$13.42 per pound
- Raise the chewing tobacco rate from 50 cents per pound to \$5.37 per pound
- Maintain the same rate for large cigars (52.75% of the sale price), but impose a minimum tax of 5.033 cents per cigar (equivalent to the rate for cigarettes) and raise the maximum tax to \$1.00 per cigar.

The bill has been touted by its sponsors as requiring all tobacco consumers to pay the same rates as cigarette consumers, although the rates for smokeless tobacco remain lower.

One provision that has not been discussed in the various press releases regarding the bill is a provision entitled “Other Tobacco Products.” This provision imposes a new tax on “other tobacco products,” a definition which has been expanded to include “any other product containing tobacco that is intended or expected to be consumed.” The provision taxes “other tobacco products” (including products determined to be a “tobacco product” by the FDA) at a rate equivalent to the tax rate for cigarettes, to be determined in accordance with regulations to be issued by the Treasury Department.

Given that the federal excise tax already covers cigarettes, roll-your-own tobacco, pipe tobacco, smokeless tobacco and cigars, the most obvious candidate for the new tax is e-cigarettes. E-cigarettes (at least to the extent they contain tobacco) could be considered a product that is “intended or expected to be consumed.” It is not clear how the Treasury Department would implement or collect the

tax, given that there is currently no mechanism for licensing manufacturers or importers of e-cigarettes, or for reporting their sales.

Originally published here: <http://www.tobaccolawblog.com/2012/05/tobacco-tax-equity-act-introduced-including-possible-tax-on-e-cigarettes/>

NEWS: SENATOR DICK DURBIN INTRODUCES CIGAR TAX HIKE LEGISLATION

Post by StogieGuys.com

May 14, 2012

Last week Senator Dick Durbin (D-IL) introduced legislation that would increase federal taxes on premium cigars. Senators Frank Lautenberg (D-NJ) and Richard Blumenthal (D-CT) are co-sponsoring the bill.

The goal of the legislation, as stated by the senators, is threefold: to bring all tobacco products in line with the relatively higher taxes that are levied on cigarettes, to discourage the use of tobacco products by minors, and to increase government revenue. "The current loopholes in the taxes on tobacco products encourage the use of products like pipe tobacco, smokeless tobacco, and 'nicotine candies' as a cheap source of tobacco, particularly among young people," Durbin said in a statement. "This bill will stop tobacco manufacturers from gaming the system and protect more children and teens from this dangerous habit."

It is also expected to boost government coffers by \$1 billion.

Additionally, the senators aim to make it more costly to purchase premium cigars. Durbin's so-called "Tobacco Tax Equity Act of 2012" would raise the per-cigar tax ceiling on large cigars over 150%, from 40.26 cents to 100.66 cents. It would also establish a per-cigar tax floor at 5.033 cents. This move comes only days after Durbin and Lautenberg publicly encouraged the FDA to regulate cigars and ban "flavored" cigars outright.

Senator Durbin and his cohorts do not have the courage to say that they'd like to regulate and tax cigars out of existence, but that seems to be the outcome they're shooting for. Cigars are already taxed quite high, especially when you add up the federal, state, and local taxes. And we've written before that regulation of cigars by the FDA would be devastating to the industry, which helps provide 85,000 jobs in the U.S. and hundreds of thousands in Latin America. Ingredient disclosure, testing, and marketing restrictions would stifle the development of new cigar blends and eliminate events where cigar makers pass out free samples to cigar shop patrons.

Be sure to take a few moments to effectively contact your senators and urge them to not support the Tobacco Tax Equity Act of 2012.

Originally published here: <http://www.stogieguys.com/2012/05/05142012-news-senator-durbin-introduces-cigar-tax-hike-bill.html>