

Should Cigarette Taxes Fund President Clinton's Healthcare Reform Package?

Tell Your Senators, "ENOUGH IS ENOUGH"

To: PM USA Employees

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From: Jay Poole

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Subject: Federal Excise Tax Threat

There is a very good chance that President Clinton will call for an increase in the federal excise tax on cigarettes as a way to fund the healthcare reform plan he is expected to announce in the next few weeks.

While no one knows for certain if cigarette taxes will be included in the President's plan, President Clinton has stated that he would not have a problem with asking smokers to pay higher taxes. In addition, several of the President's top aides, including Treasury Secretary Lloyd Bentsen and Budget Director Leon Panetta have said that the administration is considering a federal excise tax increase of as much as \$2.00 per pack.

As PM USA employees, we are aware of the negative implications any increase in the federal cigarette tax would have on our consumers and on our business. Therefore, it is crucial that our elected officials in Washington realize that singling out smokers for higher taxes is neither a fair way to resolve the nation's healthcare crisis, nor is it a reliable way, since excise taxes rarely raise the amount of revenue that is expected. **Calling on smokers also ignores the fact that the federal cigarette tax was just increased on January 1, to \$2.40 per carton.**

You can help get that message into Washington by writing letters or telephoning your two U.S. Senators, stating your opposition to any additional taxes on cigarettes.

I have prepared a sheet of writing points that you can use when writing your letters. This sheet also includes your senators' addresses in Washington, D.C. These sheets can be found in the display that is attached to this bulletin board. Please take one, and let your elected

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officials near from you soon!

Working together, we can help ensure that cigarettes are not singled out to pay the costs of the nation's healthcare program -- costs that clearly are the responsibility of all taxpayers.

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