

SUBJECT: New York's 50 cent excise tax increase

In light of the push for a 50 cent excise tax on cigarettes to expand health coverage, the Fiscal Issues Team has developed talking points and studies. Enclosed find:

- A new study by Fiscal Planning Services, Inc. (FPSi) that examines the misuse of both federal and state Medicaid dollars.
- A study by Citizens for a Sound Economy that analyzes the performance of each state's Medicaid spending from a taxpayer perspective. In this study New York receives an "F," while other large states receive much higher grades of "B."
- Talking point for the above listed studies are also available.

You might also find the following studies interesting.

- One study specifically examines the impact of excise taxes on jobs and businesses along the New York-Vermont border.
- Another examines the impact of excise taxes on jobs and businesses along the Rockland County (NY)- Bergen County (NJ) border.
- The third examines a decline in grocery store jobs in NYC from 1995-1997.

- IssuesNet can also create a study on the likely economic consequences from raising NY's excise tax on cigarettes 50 cents per pack.

Additional talking points regarding the tobacco industry's significant contributions to the US economy, regressivity, tobacco excise taxes as an unstable revenue source, and economic distortions caused by cigarette excise taxes also exist on IssuesNet.

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