



Written by [Brian Koenig](#) on June 5, 2012

Tobacco Industry Spends \$47M to Defeat California Cigarette Tax

California's [Proposition 29](#), which would impose a sizable \$1-a-pack cigarette tax on all California residents, is meeting heavy resistance. The proposition, which will be voted on Tuesday, pledges to apportion the new revenue to health and cancer research, in what would be the state's first tax increase on cigarettes in more than a decade.



The revenue raised from the measure, projected to be \$735 million annually, would purportedly be used to finance cancer prevention and research efforts, as opposed to the traditional maneuver of using "sin taxes" as a medium to fund projects unrelated to the actual behavior the tax intends to address. Despite the state's mounting \$16-billion deficit, critics argued that the cigarette tax would be more difficult to pass if Californians thought the money would go to the state legislature, which has become an icon for wasteful government spending.

"The voters in this state are disinclined to give money — even tobacco money — to the Legislature to spend: they don't trust them with the money," said Don Perata, a Democrat and former President Pro Tem of the California Senate, who authored the proposition. "We've become such a damned antitax state that we've demonized any kind of tax."

The tax increase is an "appropriate way to fund efforts to prevent and reduce tobacco-caused cancers and other diseases because increasing tobacco product prices directly reduces smoking and other tobacco uses," the initiative states. The funding would be apportioned to efforts such as:

- Grants and loans for biomedical, epidemiological, behavioral, health services, and other research in California to enhance the state of medical knowledge regarding lung cancer and other types of cancer, cardiovascular disease, emphysema, and other tobacco-related illnesses.
- Creation, staffing, and equipping of California research facilities engaged in biomedical, epidemiological, behavioral, health services, and other research whose primary focus is to identify and refine promising prevention, early detection, treatments, complementary treatments, and potential cures of lung cancer and other types of cancer, cardiovascular disease, emphysema, and other tobacco-related diseases.
- Increased efforts to reduce tobacco use in the state and prevent children from becoming addicted users.



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Prominent politicians and celebrities have offered public and financial support for the proposition. New York City Mayor Michael Bloomberg, who is also proposing a [ban on super-sized sugary drinks](#) in his city, contributed \$500,000 to the ballot initiative. "California is a particularly important state, and it's very visible on this issue," Bloomberg [said](#) in a recent telephone interview. "A lot of people there will die unless we do something to stop Big Tobacco."

Bicycling icon and cancer survivor Lance Armstrong has become a chief advocate of the proposal, leading numerous antismoking groups in a charge to drive California's cigarette tax up to \$1.87 per pack. "We all know that Big Tobacco has poured tens of millions in this campaign saying, 'Don't tax us any more,'" asserted Armstrong, who survived testicular cancer more than a decade ago. "But the fact of the matter is the product they sell leads to about \$9 billion a year in health care costs for California. I think if this passes, other states will follow."

Meanwhile, while a slew of health and anticancer groups have rallied behind the proposal, Big Tobacco and other industry groups have launched an intensive campaign against the proposition, doling out [\\$47 million](#) in advertisements to oppose the measure — outspending proponents by a four-to-one margin.

Part of the measure's criticisms stem from the fact that the \$735-million revenue haul would not go to curb California's skyrocketing deficit, particularly as the state faces steep education cuts. Even the editorial board of the *Los Angeles Times* urged voters to squelch the tax. "It just doesn't make sense for the state to get into the medical research business to the tune of half a billion dollars a year when it has so many other important unmet needs," the editors [affirmed](#).

Many opponents have seized on the *Times*' assertion, echoing it as one of their chief arguments. "Isn't that a little strange?" said Michael Genest, who was a consultant for the "[No on 29](#)" effort. "It's astonishing to me that someone would go to these lengths to have a major tax increase and none of it would go to the budget."

The "No on 29" campaign, which comprises a coalition of California taxpayers who oppose out-of-control taxes and spending, added that the tax "creates an unaccountable bureaucracy dominated by political appointees. California can't afford to start a new billion-dollar research spending program when we can't pay for critical existing programs like education and health care."

While the cigarette tax was welcomed with emphatic support when it was first introduced, marketing campaigns that oppose the initiative seem to have had a prominent impact on the tax proposal. Indeed, according to a [poll](#) by the Public Policy Institute of California, while a majority of voters still support Proposition 29, the margin has slipped markedly since the ads were first launched.

In the most recent poll, 53 percent of Californians say they would vote for the cigarette tax, down a remarkable 14 percent since March.



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