

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 13, 1999 LB 505

that we've given away our cigarette taxes to a bunch of buildings, it's true. The second thing is that I had cited the Tobacco Institute...

SENATOR CROSBY: One minute.

SENATOR LANDIS: ...but I hadn't quoted exactly the right numbers. The District of Columbia moved from 24 cents to 34 cents, about a one-third increase in their tax rates, and they did that in 1991. What happened was their per capita sales went from 110 packs per capita to 93 packs. In other words, consumption went down, just what I've told you. Now, right across the bridge is Virginia and they stayed at 2.5 cents tax. Understand, District of Columbia was 10 times higher, 33.9 cents tax; Virginia was 2.5-cent tax. During the same period of time when Washington, DC's, per capita taxes went...I'm sorry, sales went down, the Virginia per capita sales did not go up. It flat lined at 108 packs per person to 108 packs per person.

SENATOR CROSBY: Time.

SENATOR LANDIS: If those people were going to go some place, they would have gone across the river. They didn't. Consumption was genuinely cut.

SENATOR CROSBY: Thank you, Senator Landis. Now, Senator Bourne.

SENATOR BOURNE: Thank you, Madam President, members of the body. I'm opposed to this bill and I'm opposed to the amendment as well for two reasons. First, I think it's an incredibly huge tax increase and, second, I think if the stated goal is to curb youth smoking we should do that more directly. One thing I would...I decided to speak because I wanted to make a point of clarification. Senator Landis indicated that this would increase the pack...the price of a pack of cigarettes by 10 percent or 10 cents. This is not a 10 percent tax increase. A 10 percent tax increase would increase the cigarettes to roughly 37 cents. This is a 100 percent tax increase. It goes from 34 cents to 60 cents, so it is not a 10 percent tax increase or a 10 percent or a 10-cent increase on the...a pack of a cigarette...price of a pack of cigarettes. It's a