

American Cancer Society Cancer Action Network

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## House Finance Committee

TO: Rep. Marvin L. Abney, Chair  
Rep. Scott A. Slater, First Vice Chair  
Rep. Alex Marszalkowski, Second Vice Chair  
Members of the House Finance Committee

FROM: American Cancer Society Cancer Action Network (ACS CAN)

DATE: March 5, 2024

RE: Comments on House Bill 7225  
Article 6, Sections 14 & 17 of the proposed Fiscal Year (FY) 2025 Budget

The American Cancer Society Cancer Action Network (ACS CAN) is the non-partisan, non-profit advocacy affiliate of the American Cancer Society. We advocate for evidence-based public policies to reduce the cancer burden for everyone. On behalf of ACS CAN, I would like to thank the Committee for the opportunity to provide comments on the Governor's FY 2025 Budget Article 6, Sections 14 and 17.

**We find it promising that the state is looking at tobacco taxes to address revenue needs and commend the Governor for addressing critical tobacco-related issues through the establishment of a tax on E-cigarettes in the FY25 budget, among other measures.**

Tobacco use remains the single largest preventable cause of disease and premature death. More than 16 million Americans are living with a disease caused by smoking. Smoking causes cancer, heart disease, stroke, lung diseases, diabetes, and chronic obstructive pulmonary disease (COPD), which includes emphysema and chronic bronchitis.<sup>i</sup> As Lung cancer remains the top cancer killer in the state, tobacco continues to claim the lives of 1,800 Rhode Islanders each year.<sup>ii, iii</sup> Unfortunately, Rhode Island is on the wrong path when it comes to tobacco use. Currently, 11.8% of Rhode Island adults and 3.0% of high school students smoke, while 17.8% of all high school students use e-cigarettes.<sup>iv</sup>

In addition to the lives lost, smoking causes significant monetary costs in Rhode Island. Annual health care costs in Rhode Island directly caused by smoking amount to \$744 million. Medicaid costs caused by smoking in Rhode Island amount to \$233 million. The state and federal tax burden from smoking-caused government expenditures is \$1,221 per Ocean State household. Finally, smoking-caused productivity losses in Rhode Island accounted for \$1.1 billion just last year.<sup>v</sup>

**To improve Rhode Island's tobacco prevention and cessation infrastructure and curb adult smoking and youth initiation, we must prioritize a comprehensive evidence-based approach to taxation.** This means coupling the establishment of a tax on e-cigarettes at 80% of wholesale value with a \$1.00/pack or more increase in the tax on cigarettes, thus ensuring greater tax parity

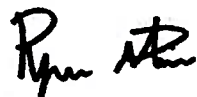
between these products, and lessening the likelihood of substitution to a “less expensive” product. Increasing the price of tobacco products, including e-cigarettes through taxation is one of the most successful ways to keep youth from smoking and help adults quit, saving lives and healthcare costs along the way. While significant cigarette tax increases effectively reduce adult smoking and prevent youth initiation, data indicates that smaller increases simply raise more money for the state without measurably improving public health. We urge the Committee to consider a \$1.00 per pack cigarette tax increase to truly reduce tobacco use and help improve the health of Rhode Islanders.

**Finally, Rhode Island must establish sustainable funding for tobacco prevention and cessation programs at levels that meet or exceed Centers for Disease Control and Prevention (CDC) recommendations.** Despite collecting roughly \$188 million in tobacco tax revenue, the state invested a mere \$429,205 in prevention and cessation for FY 2024. We must do more. The CDC recommends that Rhode Island spend \$12.8 million annually, leaving significant room for improvement. In fact, Rhode Island ranks a disappointing 42<sup>nd</sup> in the country in funding programs that prevent kids from smoking and help people who smoke quit.<sup>vi</sup>

Raising and equalizing tax rates across all tobacco products will save lives, reduce overall tobacco use, reduce health care costs for the State and private insurers, and will generate revenue for Rhode Island. Once again, we appreciate the Governor’s intention and look forward to working with him and the legislature to enact evidence-based tobacco prevention and cessation measures into law.

Please feel free to contact ACS CAN’s Rhode Island Government Relations Director, Ryan T. Strik, at [ryan.strik@cancer.org](mailto:ryan.strik@cancer.org) or at (401) 259-1052 for any additional questions or information.

Thank you for your consideration.



**Ryan T. Strik**  
Rhode Island Government Relations Director,  
ACS CAN

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<sup>i</sup> US Department of Health and Human Services. 50 Years of Progress: A Report of the Surgeon General, 2014. 2014. Available at: <https://archive.cdc.gov/#/details?url=https://www.cdc.gov/tobacco/sgr/50th-anniversary/index.htm>

<sup>ii</sup> American Cancer Society. Cancer Facts & Figures 2024. <https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2019/cancer-facts-and-figures-2019.pdf>

<sup>iii, iv, v</sup> Campaign for Tobacco Free Kids. The Toll of Tobacco in Rhode Island. Updated November 21, 2023. [http://www.tobaccofreekids.org/facts\\_issues/toll\\_us/rhode\\_island](http://www.tobaccofreekids.org/facts_issues/toll_us/rhode_island)

<sup>vi</sup> Campaign for Tobacco Free Kids. A State-by-State Look at the 1998 Tobacco Settlement 25 Years Later. Updated January 10, 2024. <https://www.tobaccofreekids.org/what-we-do/us/statereport/>