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March 24, 2026

The Honorable Louis P. DiPalma, Chair  
Senate Committee on Finance  
State House  
82 Smith St.  
Providence, RI 02903

**RE: H 7127 – An Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2027 – Budget Article 5 - Sections 3-4 – Relating to Taxes and Fees (Cigarette and Cigar Tax) and Governor’s Budget Amendment #5 (\$1.00 Tax Cap on Cigars)**

Dear Chair DiPalma:

Please accept this letter in support of the proposed increase in the cigarette tax for each cigarette sold or unstamped from 225 mills to 262.5 mills, for an increase of \$0.75 per 20-pack of cigarettes and raising the per-cigar tax cap from \$0.50 to \$1 proposed in Budget Article 5, Sections 3-4 and the Governor’s Budget Amendment #5. Tobacco use remains the leading cause of preventable death and disease in the United States and Rhode Island. Nationally, approximately 490,000 deaths each year are attributed to smoking, and in Rhode Island, we estimate 1,800 deaths are attributable to smoking each year.<sup>1</sup> An additional 16 million Americans live with a disease caused by smoking such as cancer, stroke, heart disease, and lung disease. Secondhand smoke exposure contributes to approximately 40,000 deaths among non-smoking adults and 400 infant deaths each year.<sup>2</sup> In Rhode Island, 31.3% of all cancer deaths are attributed to smoking, and each year, the annual healthcare costs directly caused by smoking are \$744 million, and approximately \$233 million of that is paid by Medicaid.<sup>1</sup>

According to the CDC,<sup>3</sup> increasing the price of tobacco products through strategies such as excise tax increases is one of the most effective methods to prevent or reduce tobacco product use and promote cessation. This strategy is especially effective in discouraging initiation among young people who have not developed an addiction, increasing their likelihood of remaining tobacco-free.<sup>4</sup> States can realize reductions in both private and public healthcare costs and improve the health of their residents. The US Surgeon General has called raising prices on cigarettes “one of the most effective tobacco control interventions.”<sup>5</sup> The National Cancer Institute (NCI) and the

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<sup>1</sup> Campaign for Tobacco-Free Kids. [The Toll of Tobacco in Rhode Island](#). December 2025.

<sup>2</sup> Centers for Disease Control and Prevention. [Cigarette Smoking](#). September 2024.

<sup>3</sup> Centers for Disease Control and Prevention. [STATE System Excise Tax Fact Sheet](#). January 2024.

<sup>4</sup> National Center for Chronic Disease Prevention and Health Promotion (U.S.) Office on Smoking and Health. [Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General](#). Centers for Disease Control and Prevention. 2012.

<sup>5</sup> U.S. Department of Health and Human Services. [The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General](#). Atlanta, GA: HHS, Centers for Disease Control and Prevention. National Center for Chronic Disease Prevention and Health Promotion. Office on Smoking and Health. 2014.

World Health Organization (WHO) concluded in their 2017 report, *The Economics of Tobacco and Tobacco Control*, “A substantial body of research, which has accumulated over many decades and from many countries, shows that significantly increasing the excise tax and price of tobacco products is the single most consistently effective tool for reducing tobacco use...leading some current users to quit, preventing potential users from initiating use, and reducing consumption among current users.”<sup>6</sup> According to the Campaign for Tobacco-Free Kids, economic research confirms that cigarette tax increases reduce smoking, stating that numerous economic studies in peer-reviewed journals document that cigarette tax or price increases reduce both adult and youth smoking.<sup>7,8,9</sup> Lastly, increasing cigar prices through tax increases is also shown to reduce youth cigar smoking.<sup>10</sup>

Regarding concerns of cross-border sales, according to the Campaign for Tobacco-Free Kids, “...state experience and published research...show that smuggling and tax evasion not only fails to eliminate revenue gains from cigarette tax increases but is also a much smaller problem than the cigarette companies and their allies claim, especially when compared to the additional new revenues, public health benefits, and smoking-caused cost reductions from state cigarette tax increases.”<sup>11</sup>

Tobacco and nicotine use among Rhode Islanders poses a significant public health challenge. An estimated 1,100 youth in Rhode Island will try smoking cigarettes for the first time this year,<sup>1</sup> and 9.9% of Rhode Island adults (approximately 89,800 adults) report current use of cigarettes.<sup>12</sup> Nearly 9 out of 10 adults who smoke cigarettes started using tobacco products by age 18, and 99% started by age 26.<sup>5</sup> According to the CDC, the tobacco industry’s increased marketing of cigars (cigars, cigarillos, little cigars) to targeted groups has increased prevalence of use among youth.<sup>13</sup> Cigars often have flavorings and are sold as a single stick, making them appealing to youth and easier to use. Data from 2023 shows that 4% of Rhode Island high school students (approximately 1,800 students) currently smoke cigars, cigarillos, or little cigars, a 48% increase from 2.7% in 2021.<sup>14</sup>

Coordinated prevention, education, cessation/quit resource programming, tobacco product and access restrictions, and tax parity are effective policy strategies for reducing tobacco and nicotine use. As the Director of the Rhode Island Department of Health, I concur with the Governor that provisions in Budget Article 5, Section 3-4 will help continue the significant progress made in

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<sup>6</sup> U.S. National Cancer Institute and World Health Organization. [The Economics of Tobacco and Tobacco Control](#). National Cancer Institute Tobacco Control Monograph 21. U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; World Health Organization. 2016.

<sup>7</sup> Campaign for Tobacco-Free Kids. [Raising Cigarette Taxes Reduces Smoking, Especially Among Kids \(and the Cigarette Companies Know It\)](#). December 2025.

<sup>8</sup> Sharbaugh M, Althouse A, Thoma F, Lee J, Figueredo V, Mulukutla S. [Impact of cigarette taxes on smoking prevalence from 2001-2015: A report using the Behavioral and Risk Factor Surveillance Survey \(BRFSS\)](#). PLoS One. 2018 Sep 20;13(9):e0204416.

<sup>9</sup> Huang J, Chaloupka F. [The Impact of the 2009 Federal Tobacco Excise Tax Increase on Youth Tobacco Use](#). National Bureau of Economic Research Working Paper 18026. April 2012.

<sup>10</sup> Ringel J, Wasserman J, Andreyeva T. [Effects of Public Policy on Adolescents’ Cigar Use: Evidence from the National Youth Tobacco Survey](#). American Journal of Public Health 95:995-998, 2005.

<sup>11</sup> Campaign for Tobacco-Free Kids. [Raising State Cigarette Taxes Always Increases State Revenues \(and Always Reduces Smoking\)](#). July 2024.

<sup>12</sup> Rhode Island Department of Health. Center for Health Data and Analysis. [Behavioral Risk Factor Surveillance System](#). 2024.

<sup>13</sup> Centers for Disease Control and Prevention. [Cigars are a Public Health Problem](#). September 2024.

<sup>14</sup> Rhode Island Department of Health. Center for Health Data Analysis. [Youth Risk Behavior Survey](#). 2023.

reducing the negative health outcomes associated with tobacco and nicotine access and use in Rhode Island.

Sincerely,

A handwritten signature in black ink that reads "Jerome M. Larkin" with a long horizontal flourish extending to the right.

Jerome M. Larkin, MD  
Director

CC: The Honorable Members of the Senate Committee on Finance  
Kristen Silvia, Director of Legislation and Deputy Chief of Staff  
Patricia Resende, Director of Senate Policy