

Six Lessons from the U.S. Experience with Tobacco Taxes

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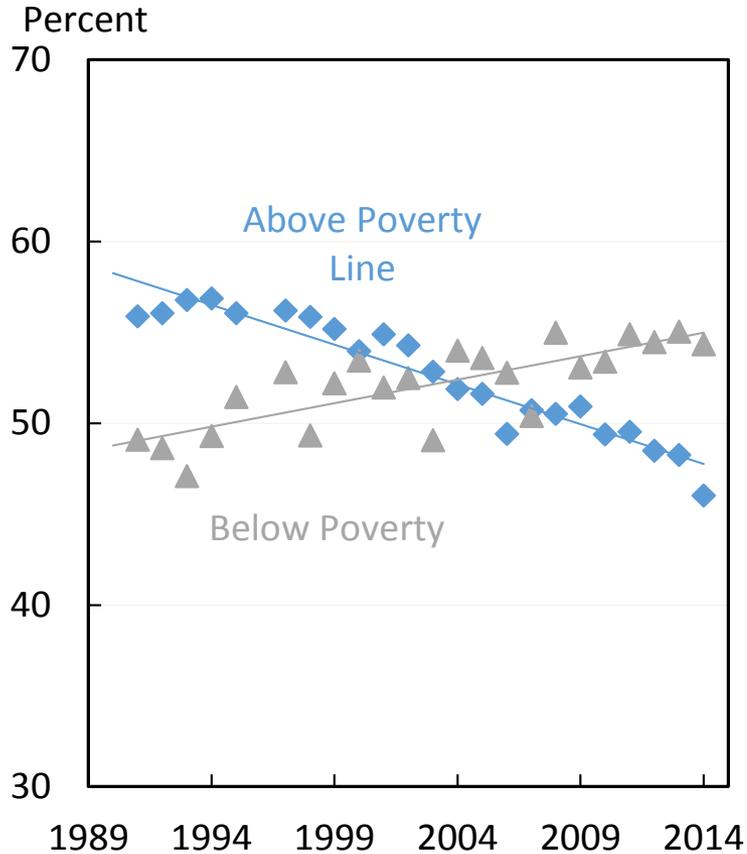


**World Bank Group Conference: “Winning the Tax Wars: Global Solutions for Developing Countries”
May 24, 2016**

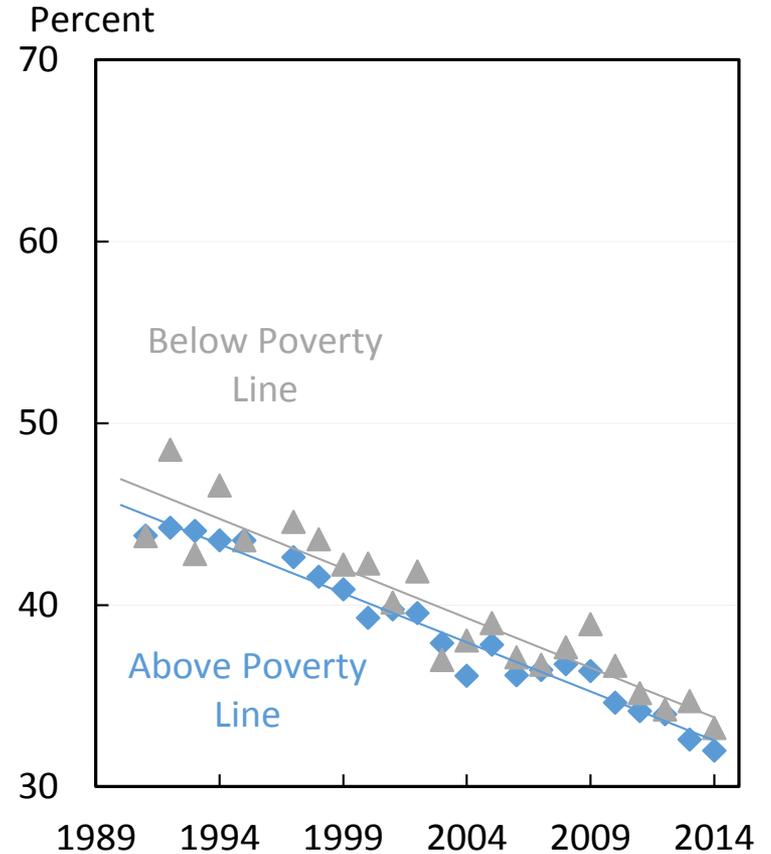
Lesson #1: Smoking Plays a Major Role Not Just in Mortality But in Inequality of Mortality

Percent that Ever Smoked by Poverty Status, 1991-2014

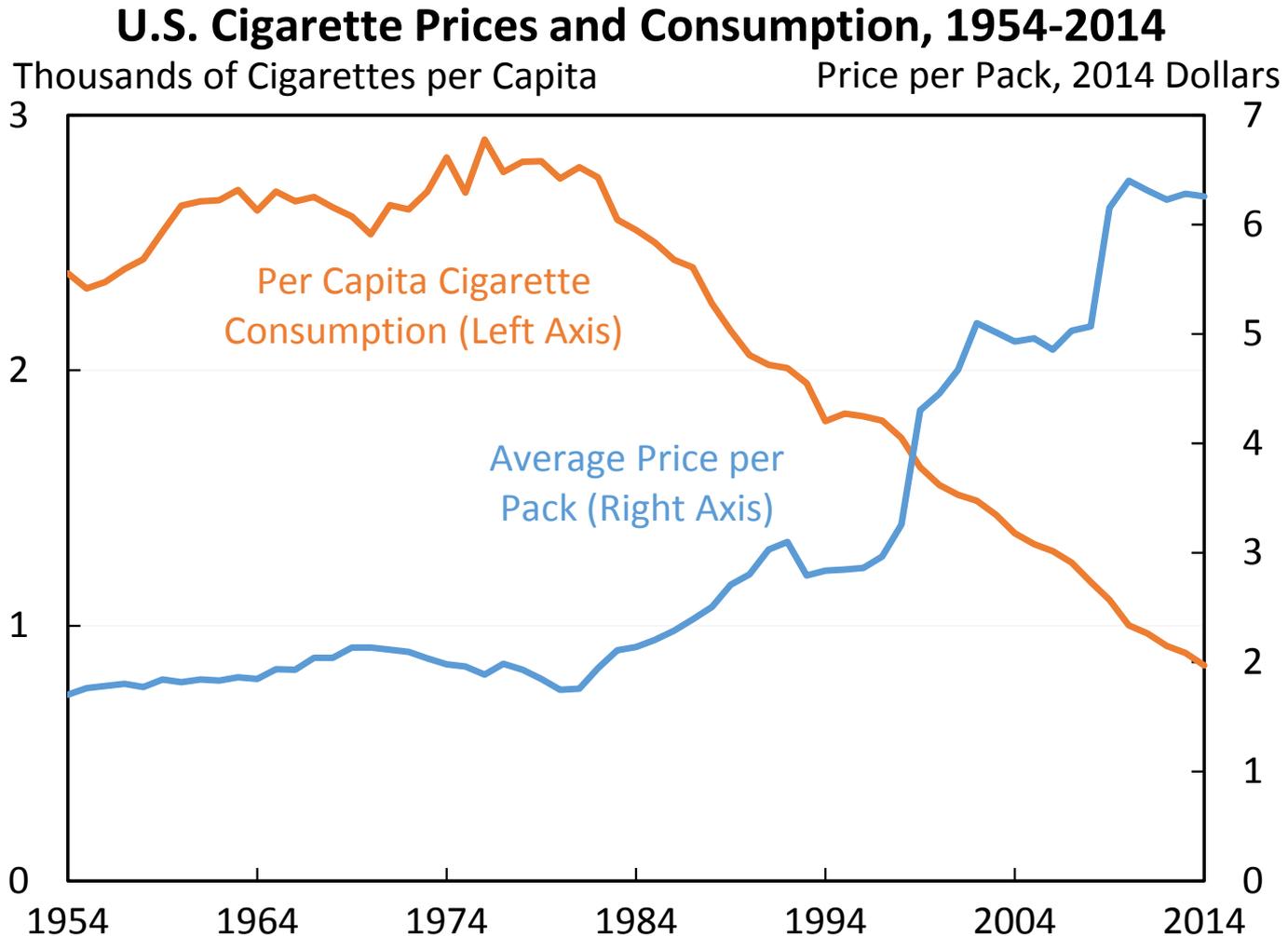
Age 50+



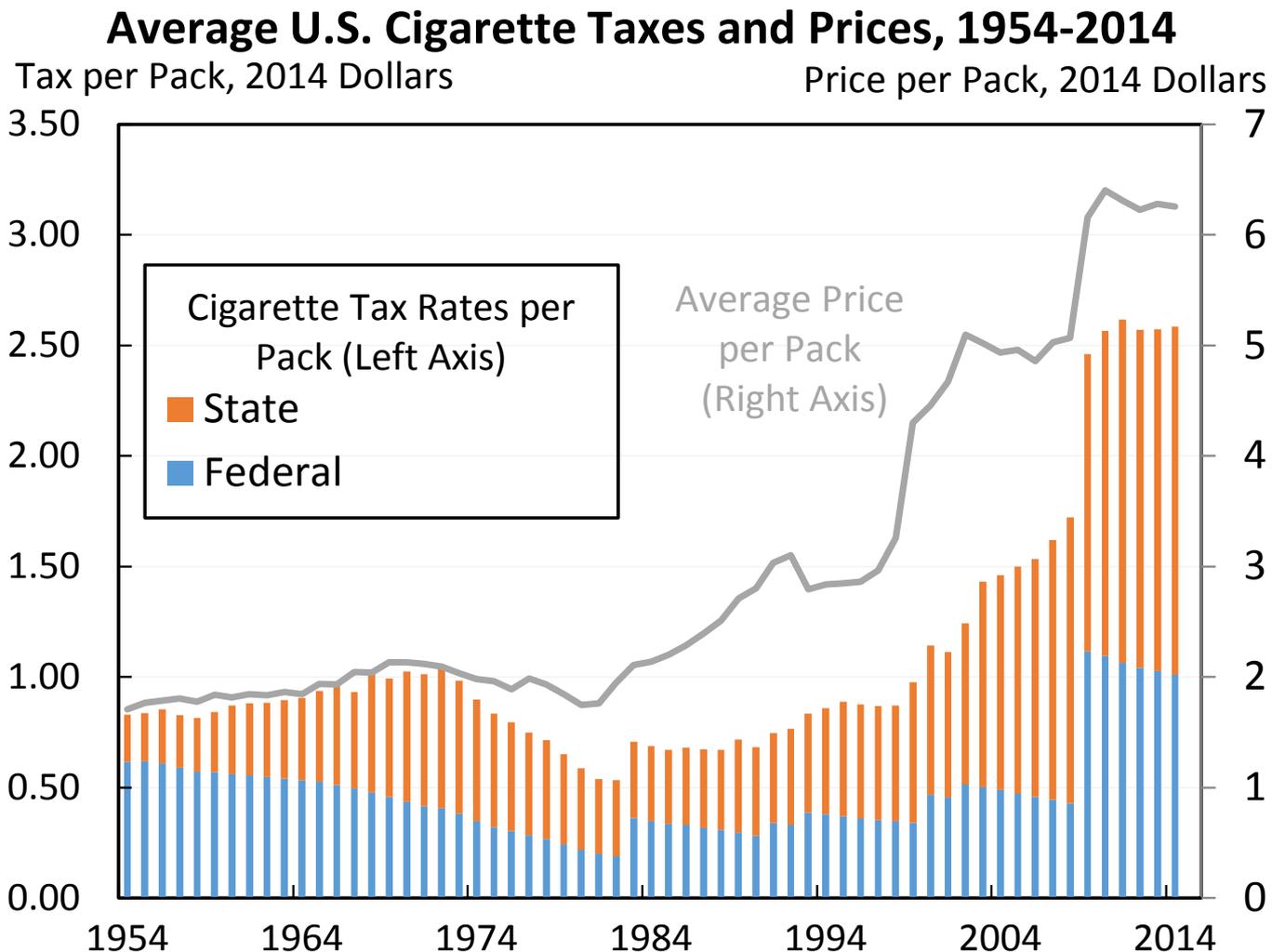
Ages 18-40



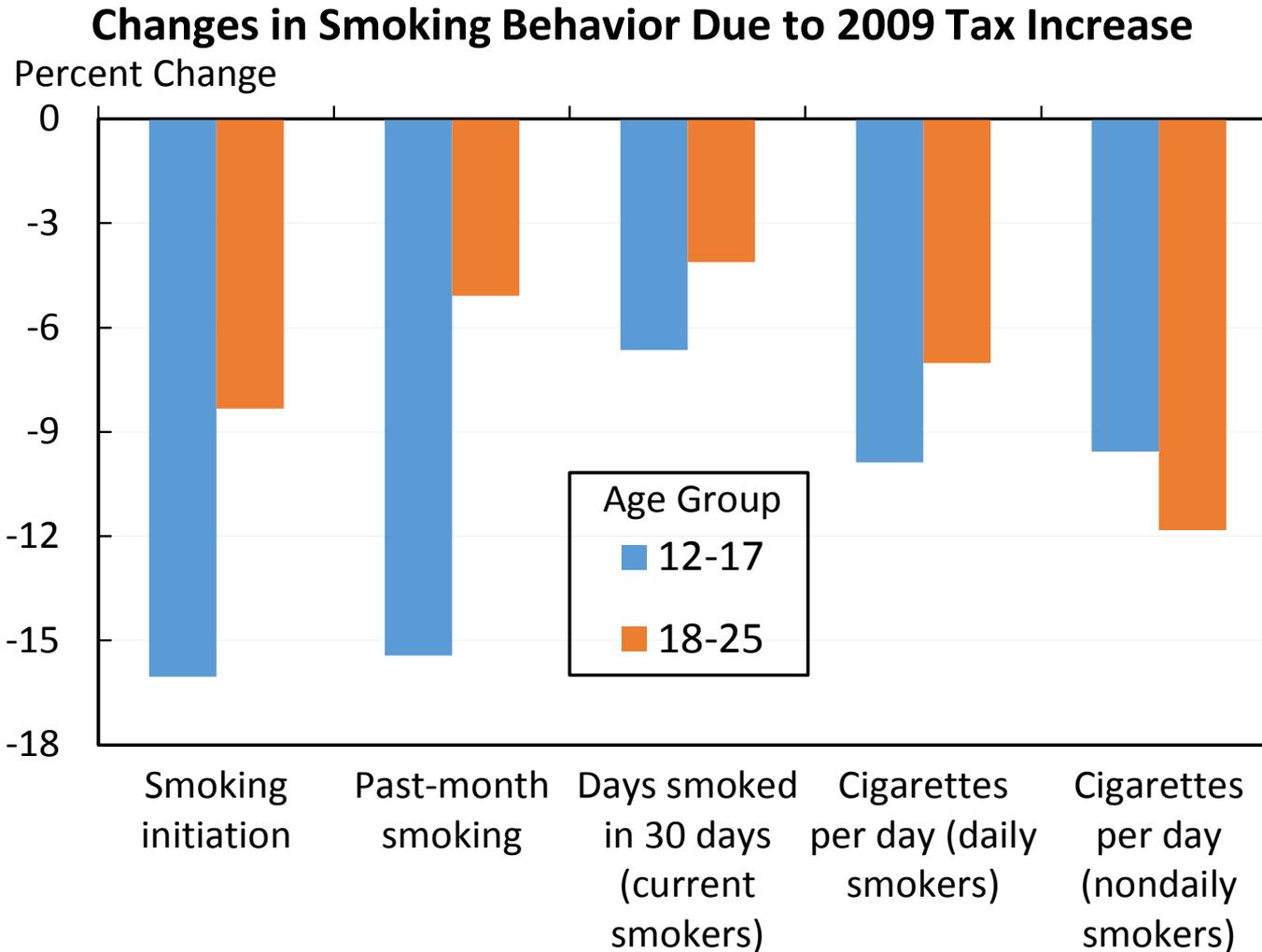
Lesson #2: Price Plays an Important Role in Smoking



Lesson #3: Cigarette Taxes Play an Important Role in Cigarette Prices



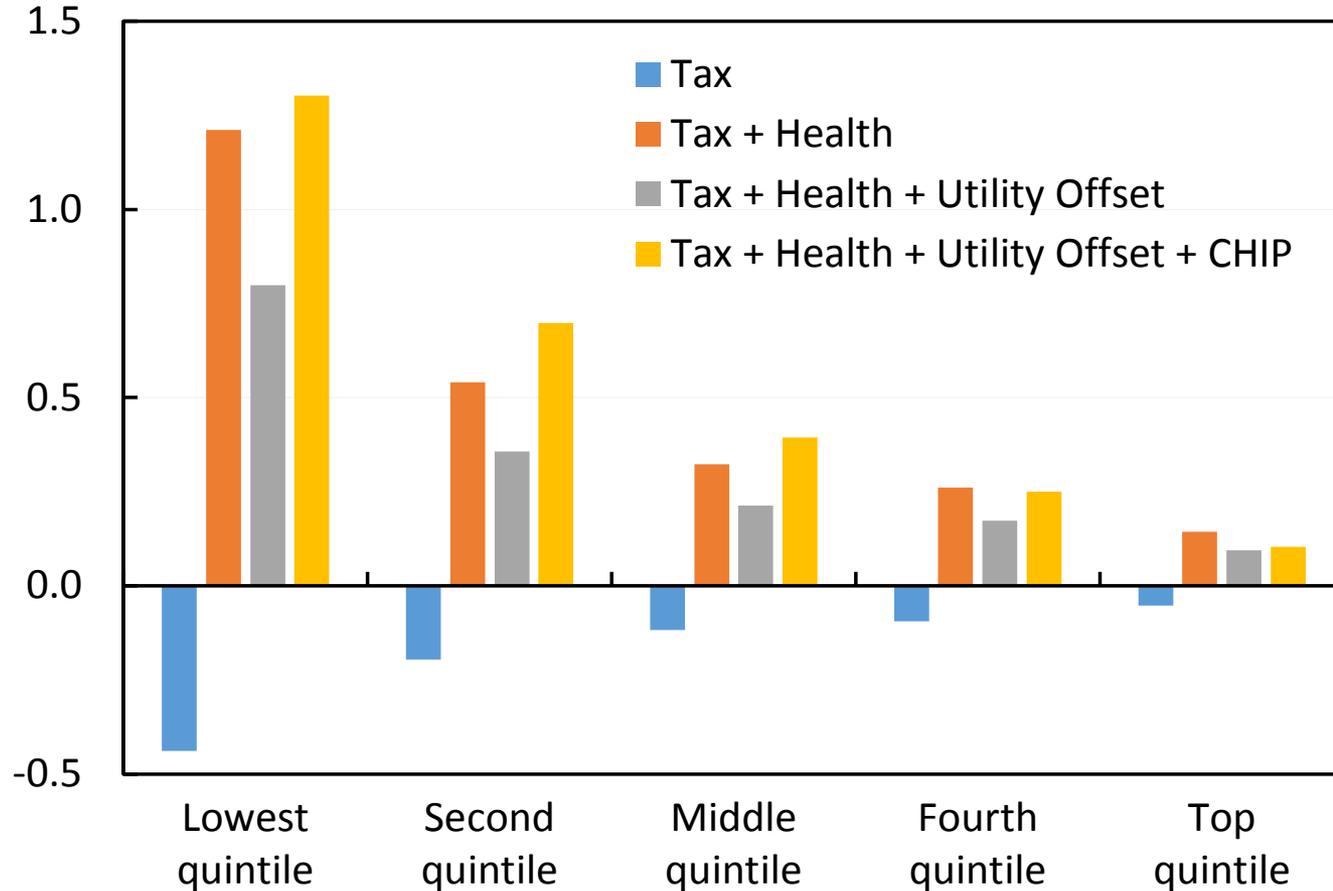
Lesson #4: Cigarette Taxes Have Large Aggregate Benefits for Public Health



Lesson #5: Tobacco Taxes Disproportionately Benefit Lower-Income Households

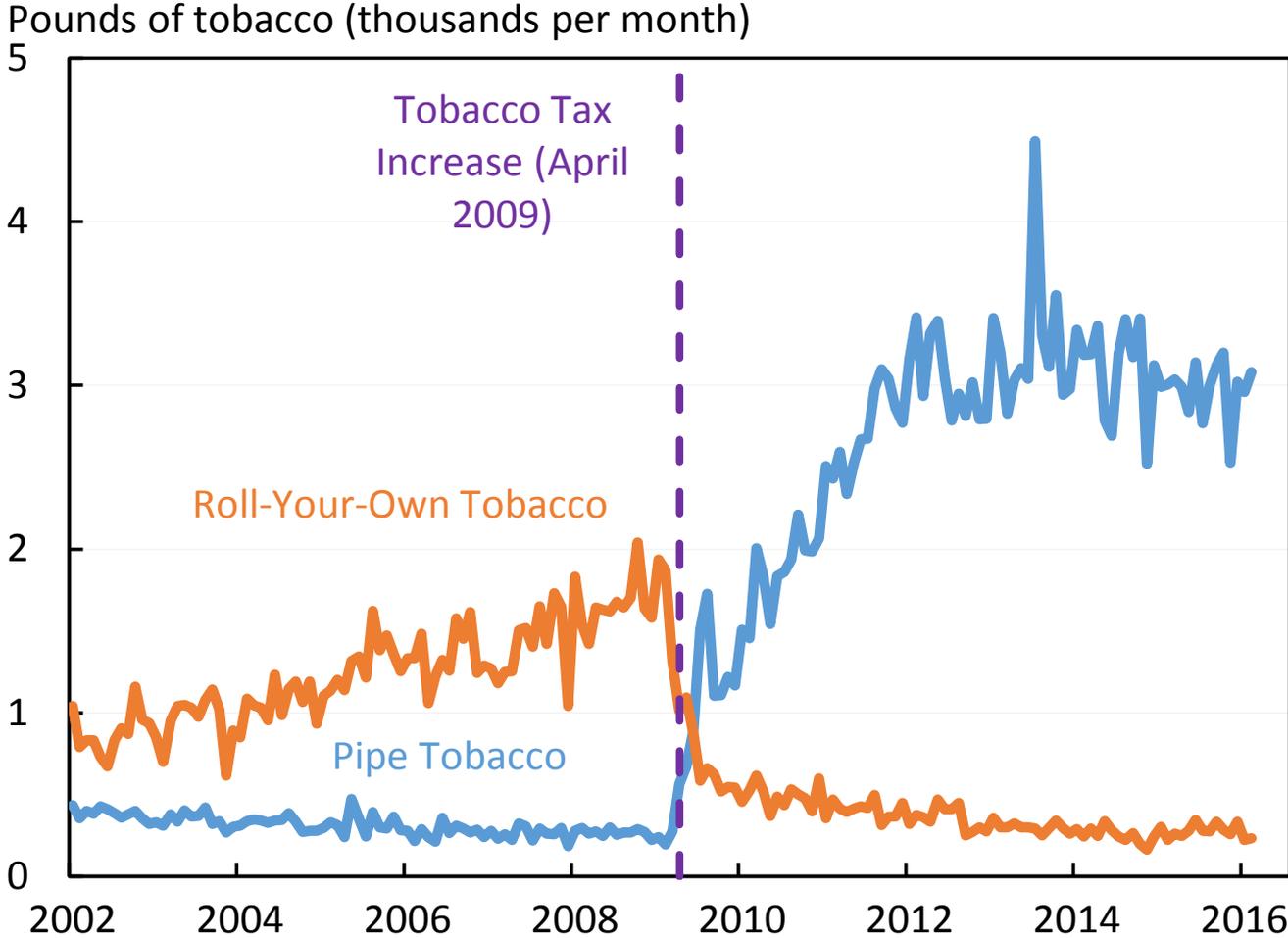
Illustrative Distribution of the 2009 Tobacco Tax Increase

Benefits as Percent of Pre-Tax Income



Lesson #6: It is Really Important to Tax Similar Tobacco Products at Similar Rates

Sales of Roll-Your-Own and Pipe Tobacco, 2002-2016



Source: Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau.

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