TOBACCO & VAPING 101: WASHINGTON, D.C.

TAXPAYERS PROTECTION ALLIANCE

TABLE OF CONTENTS

Adult Smoking Rates • P. 2

Youth Tobacco and Vapor Rates • P. 2

Cigarette Tax Revenue • P. 3

Master Settlement Agreement • P. 3

Tobacco Control Funding • P. 4

E-Cigarettes' Effectiveness in Washington, D.C. • P. 4

Policy Implications • P. 5

Supplemental Graphs • P. 6

References • P. 7

BY: LINDSEY STROUD

Combustible cigarette use among American youth and adults has reached all-time lows, but many policymakers are concerned with the increased use of electronic cigarettes and vapor products, especially among youth and young adults.

This paper examines smoking rates among adults in the District of Columbia (D.C.), youth use of tobacco and vapor products, and the effectiveness of tobacco settlement payments, taxes, and vapor products on reducing combustible cigarette use.

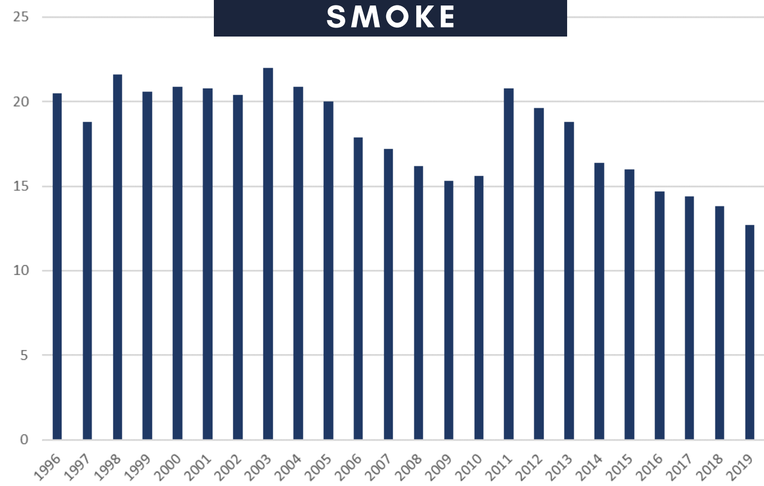
ADULT SMOKING RATES

In 1995, 20.5 percent[1] of D.C. adults smoked combustible cigarettes, amounting to approximately 93,664 adults.[2] In 1995, among all adults, 14.9 percent (68,078 adults) reported smoking every day.

In 2019, 12.7 percent of adults in D.C. were current smokers, amounting to 73,353 smokers. Further, 6.9 percent of D.C. adults (39,853) were daily smokers in 2019.

Among D.C. adults, current smoking decreased by 38 percent between 1995 and 2019. Moreover, there are an estimated 45,051 fewer smokers in 2019, compared to 1995, and 46,206 fewer daily smokers.

PERCENTAGE OF ADULTS WHO SMOKE



AMONG WASHINGTON, D.C. ADULTS, CURRENT SMOKING DECREASED BY 38 PERCENT BETWEEN 1995 AND 2019.

YOUTH TOBACCO AND VAPING RATES

The most recent data on youth tobacco and vapor product use in D.C. comes from the 2019 Youth Risk Behavior Survey.[3] In 2019, 13 percent of D.C. high school students reported using an e-cigarette on at least one occasion in the past month, and one percent reported using vapor products daily.

It is worthy to note that youth combustible cigarette use is at an all-time low. In 2019, 5.3 percent of D.C. high school students reported using a cigarette in the past 30 days, a 53.5 percent decrease from 2007 when 11.4 percent of high school students smoked cigarettes. Further, daily cigarette use has decreased by 82.1 percent from 2.8 percent of high school students reporting daily smoking in 2007 to 0.5 percent in 2019.

YOUTH COMBUSTIBLE CIGARETTE USE HAS DECREASED 53.5 PERCENT SINCE 2007.

CIGARETTE TAX REVENUE

Between 2000 and 2019, D.C. collected an estimated $339.2 million in cigarette taxes.[4] During the same 19-year period, the D.C. increased the cigarette tax four times; in 2003, 2008, 2009, and 2018, with the final tax increase of $2.00 bringing the final tax to $4.50-per-pack.

Although the increased tax rates have resulted in revenue increases, these increases are only seen in the short term as fewer D.C. adults smoke over time. For example, in 2011, D.C. collected an estimated $36.3 million in cigarette taxes, a 62.1 percent increase from 2008's revenues of $22.4 million. Since 2012, average revenues have declined by 3.3 percent annually. Moreover, in 2019, D.C. collected only $27.4 million in cigarette tax revenues, a 24.5 percent decrease from 2011's revenue.

BETWEEN 2000 AND 2019, WASHINGTON, D.C. COLLECTED AN ESTIMATED $339.2 MILLION CIGARETTE TAXES.

MASTER SETTLEMENT AGREEMENT

In the mid-1990s, D.C. sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 46 states, D.C. reached "the largest civil litigation settlement in U.S. history" through the Master Settlement Agreement (MSA).[5]

Under the MSA, states receive annual payments – in perpetuity – from the tobacco companies, while relinquishing future claims against the participating companies. Between 1998 and 2020, D.C. collected $862.8 million in MSA payments.[6]

BETWEEN 1998 AND 2020, WASHINGTON, D.C. RECEIVED AN ESTIMATED $862.8 MILLION IN MSA PAYMENTS.

VERY LITTLE TOBACCO CONTROL FUNDING

Tobacco taxes and tobacco settlement payments are justified to help offset the costs of smoking, as well as prevent youth initiation. Similar to states, D.C. spends very little of existing tobacco moneys on tobacco control programs – including education and prevention.

Between 2000 and 2019, D.C. allocated only $17.4 million towards tobacco control programs.[7] This is 3.4 percent of what D.C. collected in cigarette taxes in the same 19-year time span and only 2.2 percent of MSA payments. In total, in 19 years, D.C. allocated approximately 1.3 percent of what the state received in tobacco taxes and settlement payments towards tobacco education and prevention efforts.

IN 19 YEARS, D.C. ALLOCATED ONLY 1.3 PERCENT OF TOBACCO SETTLEMENT PAYMENTS AND TAXES ON PROGRAMS TO PREVENT TOBACCO USE.

VAPOR PRODUCT EMERGENCE CORRELATES WITH LOWER YOUNG ADULT SMOKING

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of e-cigarettes expanded to all major markets in the United States."[8] Examining data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey finds that e-cigarettes' market emergence has been more effective than MSA payments in reducing smoking rates among young adults in D.C.

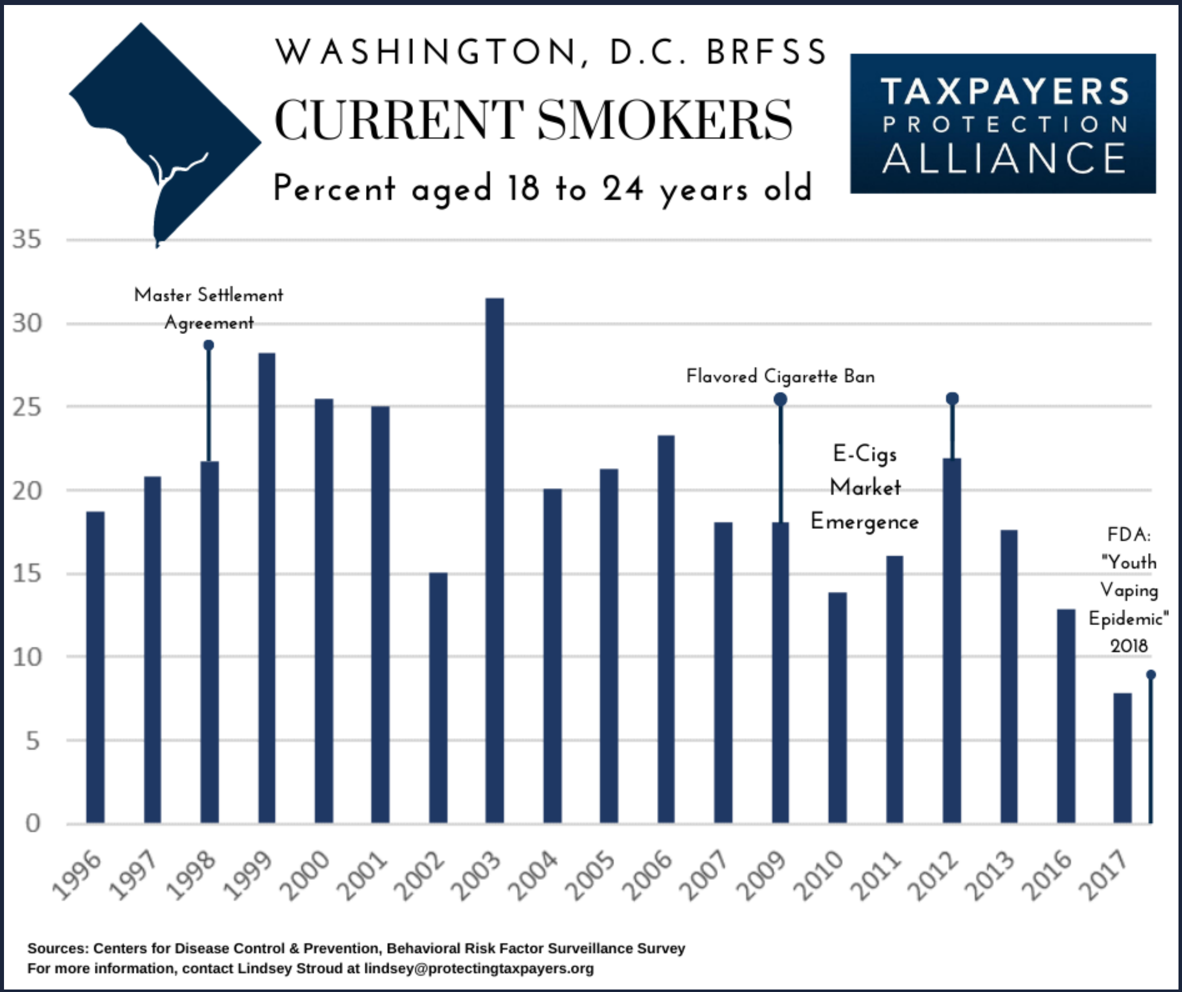
In 1997, among current adult smokers in D.C., 20.8 percent were 18 to 24 years old. In 2007, this had decreased by 13 percent to 18.1 percent of adult smokers in D.C. being between 18 to 24 years old. And, in the years after e-cigarette's market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 56.9 percent. Indeed, in 2009, among current smokers in D.C., 18.1 percent were between 18 to 24 years old. In 2017, only 7.8 percent of current smokers were 18 to 24 years old.

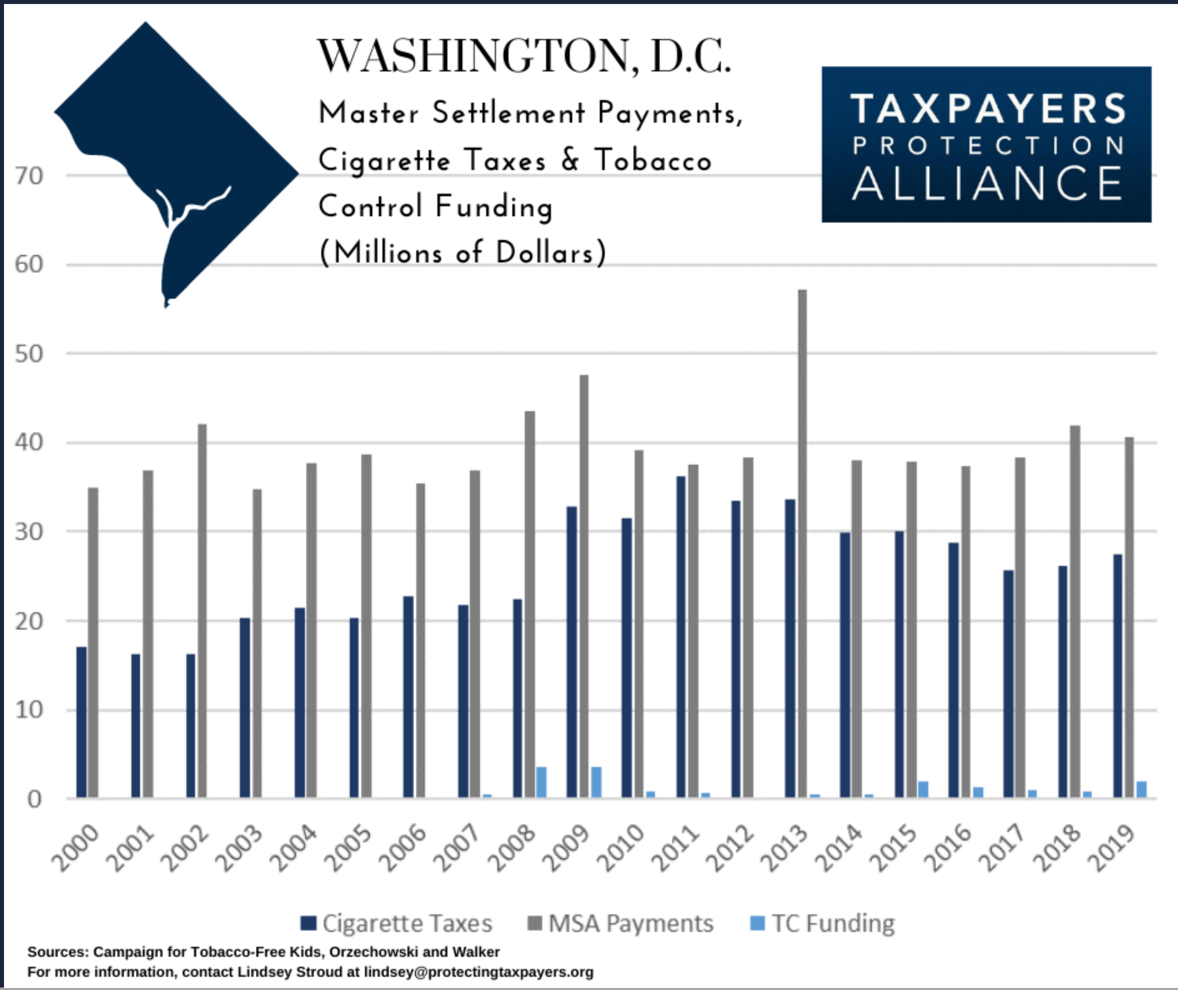
Further e-cigarettes' market emergence was associated with similar rates in average annual percent changes among all current smokers. Between 1997 and 2007, the percentage of current smokers aged 18 to 24 years old increased on average 4.9 percent each year. Between 2009 and 2017, annual percentage decreased on average at 9.5 percent.

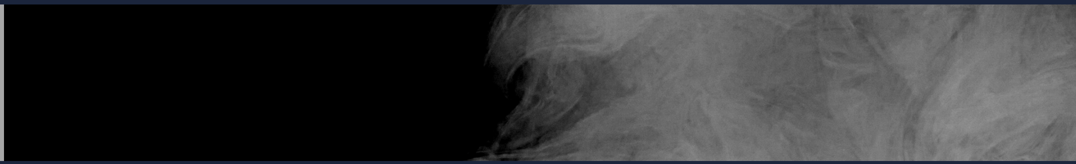
10 YEARS AFTER E-CIGARETTES' MARKET EMERGENCE IN 2009, SMOKING RATES AMONG CURRENT SMOKERS AGED 18 TO 24 YEARS OLD DECREASED BY 56.9 PERCENT.

POLICY IMPLICATIONS:

- In 2019, 12.7 percent of D.C. adults smoked combustible cigarettes, a 38 percent decrease from 1995. Youth combustible use has decreased by 53.5 percent from 11.4 percent of high school students smoking cigarettes in 2007 to 5.3 percent in 2019.
- D.C. spends very little on tobacco control programs, including prevention and education. In 19 years, the District of Columbia allocated only $17.4 million toward tobacco control programs. During the same period, D.C. received an estimated $514.4 million in cigarette tax revenue and $795 million in tobacco tax settlement payments.
- E-cigarettes appear more effective than MSA payments in reducing smoking rates among young adults in D.C.
- In years after the MSA, smoking rates decreased among 18- to 24-year-olds by 13 percent. And, in the years after e-cigarettes market emergence, smoking rates among 18 to 24 years old decreased by 56.9 percent.


WASHINGTON, D.C. BRFSS
CURRENT SMOKERS
Percent aged 18 to 24 years old
TAXPAYERS PROTECTION ALLIANCE
Master Settlement Agreement
Flavored Cigarette Ban
E-Cigs Market Emergence
FDA: "Youth Vaping Epidemic" 2018
35 30 25 20 15 10 5 0
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2009 2010 2011 2012 2013 2016 2017
Sources: Centers for Disease Control & Prevention, Behavioral Risk Factor Surveillance Survey
For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org


WASHINGTON, D.C.
Master Settlement Payments, Cigarette Taxes & Tobacco Control Funding (Millions of Dollars)
TAXPAYERS PROTECTION ALLIANCE
70 60 50 40 30 20 10 0
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019
Cigarette Taxes
MSA Payments
TC Funding
Sources: Campaign for Tobacco-Free Kids, Orzechowski and Walker
For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org



REFERENCES:

[1] Centers for Disease Control and Prevention, “BRFSS Prevalence & Trends Data,” 2019, https://www.cdc.gov/brfss/brfssprevalence/.

[2] Kids Count Data Center, “Total population by child and adult populations in the United States,” The Annie E. Casey Foundation, September 2020, https://datacenter.kidscount.org/data/tables/99-total-population-by-child-and-adult-populations#detailed/1/any/false/1729,37,871,870,573,869,36,868,867,133/39,40,41/416,417.

[3] Centers for Disease Control and Prevention, “High School YRBS 2019 Results,” 2019, https://nccd.cdc.gov/Youthonline/App/Default.aspx.

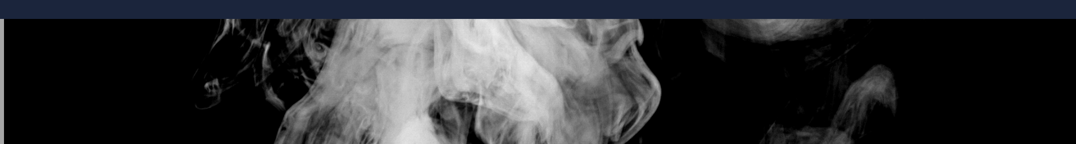
[4] Orzechowski and Walker, “The Tax Burden on Tobacco Historical Compilation Volume 54,” 2019. Print.

[5] Tobacco Control Legal Consortium, “The Master Settlement Agreement: An Overview,” August 2015, p. 1, http://publichealthlawcenter.org/sites/default/files/resources/tclc-fs-msa-overview-2015.pdf.

[6] Campaign for Tobacco-Free Kids, “Actual Annual Tobacco Settlement Payments Received by the States, 1998 – 2000,” August 13, 2020, https://www.tobaccofreekids.org/assets/factsheets/0365.pdf.

[7 Campaign for Tobacco-Free Kids, “Appendix A: History of Spending for State Tobacco Prevention Programs,” 2021, https://www.tobaccofreekids.org/assets/factsheets/0209.pdf.

[8] National Center for Chronic Disease Prevention and Health Promotion, “E-Cigarette Use Among Youth and Young Adults: A Report of the Surgeon General,” 2016, https://www.ncbi.nlm.nih.gov/books/NBK538679/.



ABOUT

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer and consumer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impacts taxpayers and consumers regardless of the political party responsible. TPA holds government officials in the United States (and around the world) accountable through issue briefs, editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials. While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

Lindsey Stroud (lindsey@protectingtaxpayers.org) is a policy analyst at TPA. In her role, Stroud focuses on the effects of the policies and regulations on tobacco and vapor products. Prior, Stroud was a state government relations manager at The Heartland Institute, and authored *Tobacco Harm Reduction 101: A Guidebook for Policymakers*. Prior to Heartland, Stroud worked as a staffer for a few state lawmakers. In addition to her role at TPA, Stroud is the creator and manager of Tobacco Harm Reduction 101 (thr101.org) and an acting board secretary for the Smoke-Free Alternatives Trade Association. Stroud received her Bachelor's of Arts in Government from the College of William and Mary.