

TOBACCO & VAPING 101: MAINE



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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 Pine Tree State, youth use of tobacco and vapor products, and the effectiveness of tobacco settlement payments, taxes, and vapor products on reducing combustible cigarette use.

TAXPAYERS PROTECTION ALLIANCE

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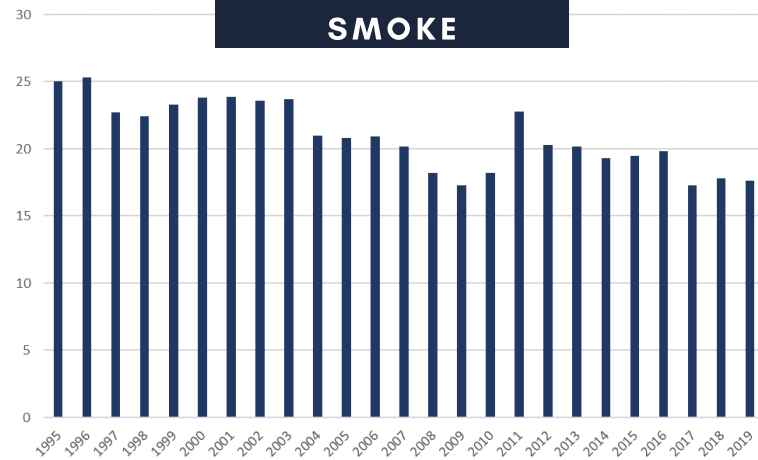
ADULT SMOKING RATES

In 1995, 25 percent^[1] of Maine adults smoked combustible cigarettes, amounting to approximately 233,577 adults.^[2] In 1995, among all adults, 22.2 percent (207,416 adults) reported smoking every day.

In 2019, 17.6 percent of adults in the Pine Tree State were current smokers, amounting to 192,785 smokers. Further 13.9 percent of Maine adults (152,256 adults) were daily smokers in 2019.

Among Maine adults, current smoking decreased by 29.6 percent between 1995 and 2019. Moreover, there are an estimated 81,057 fewer smokers in 2019, compared to 1995, and 90,916 fewer daily smokers.

PERCENTAGE OF ADULTS WHO SMOKE



AMONG MAINE ADULTS, CURRENT SMOKING DECREASED BY 29.6 PERCENT BETWEEN 1995 AND 2019.

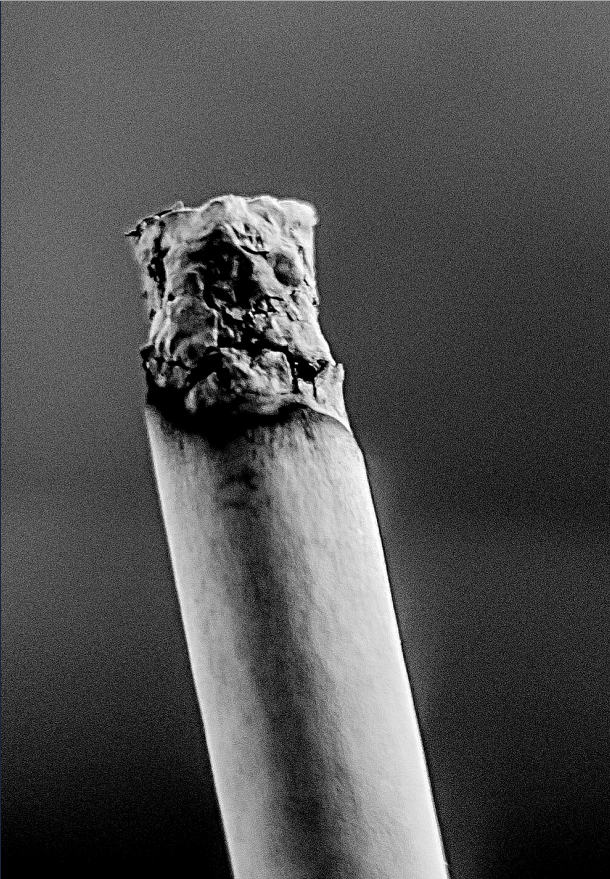


YOUTH TOBACCO AND VAPING RATES

The most recent data on youth tobacco and vapor product use in Maine comes from the 2019 Youth Risk Behavior Survey.^[3] In 2019, 46.3 percent of Maine high school students reported ever-trying e-cigarettes, 30.2 percent reported past 30-day use, and 6.3 percent reported using vapor products daily.

It is worthy to note that youth combustible cigarette use is at an all-time low. In 2019, 6.8 percent of Maine high school students reported using a cigarette in the past 30 days, an 82 percent decrease from 1995, when 37.8 percent of high school students smoked cigarettes. Further, daily cigarette use has decreased by 91.9 percent from 16 percent of high school students reporting daily smoking in 1995 to 1.3 percent in 2019.

YOUTH COMBUSTIBLE CIGARETTE USE HAS DECREASED 82 PERCENT SINCE 1995.



CIGARETTE TAX REVENUE

Between 2000 and 2019, Maine collected an estimated \$2.377 billion in cigarette taxes.[4] During the same 19-year period, the Pine Tree State increased the tax rate on cigarettes twice; in 2001 and 2005.

Although the increased tax rates have resulted in revenue increases, these increases are only seen in the short term as fewer Maine adults smoke over time. For example, in 2005, Maine increased the cigarette tax rates by \$1.00, bringing the total state excise tax to \$2.00-per-pack. In 2007, the Pine Tree State collected \$153 million in cigarette tax revenue, a 66.5 percent increase from 2005's \$91.9 million. However, since 2008, cigarette tax collections have continued to decline, on average, by 2.5 percent annually. Indeed, in 2019, Maine collected only \$112.8 million in cigarette tax revenue, 26.3 percent decline from 2007's cigarette tax revenue.

BETWEEN 2000 AND 2019, MAINE COLLECTED AN ESTIMATED \$2.377 BILLION IN TOBACCO TAXES.

MASTER SETTLEMENT AGREEMENT

In the mid-1990s, Maine sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 45 other states, Pine Tree State 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, Maine collected \$1.141 billion in MSA payments.[6]



BETWEEN 1998 AND 2020, MAINE RECEIVED AN ESTIMATED \$1.141 BILLION 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. Like most states, Maine spends very little of existing tobacco moneys on tobacco control programs – including education and prevention.

Between 2000 and 2019, Maine allocated only \$231.9 million in state funds towards tobacco control programs. [7] This is only 9.8 percent of what Maine collected in cigarette taxes in the 19-year time span between 2000 and 2019 and only 21.9 percent of MSA payments the state collected in the 20 years. To put it in further perspective, in 19 years, Maine allocated only 6.7 percent of tobacco settlement payments and taxes on programs to prevent tobacco use.

***IN 19 YEARS, MAINE
ALLOCATED ONLY 6.7
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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 Maine.

In 1997, among current adult smokers in Maine, 32.9 percent were 18 to 24 years old. In 2007, this had decreased by 12.8 percent to 28.7 percent of adult smokers in Maine being between 18 to 24 years old. Conversely, 10 years

after e-cigarette’s market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 24.5 percent. Indeed, in 2009, among current smokers in Maine, 18.4 percent were between 18 to 24 years old. In 2019, only 13.9 percent of current smokers were 18 to 24 years old.

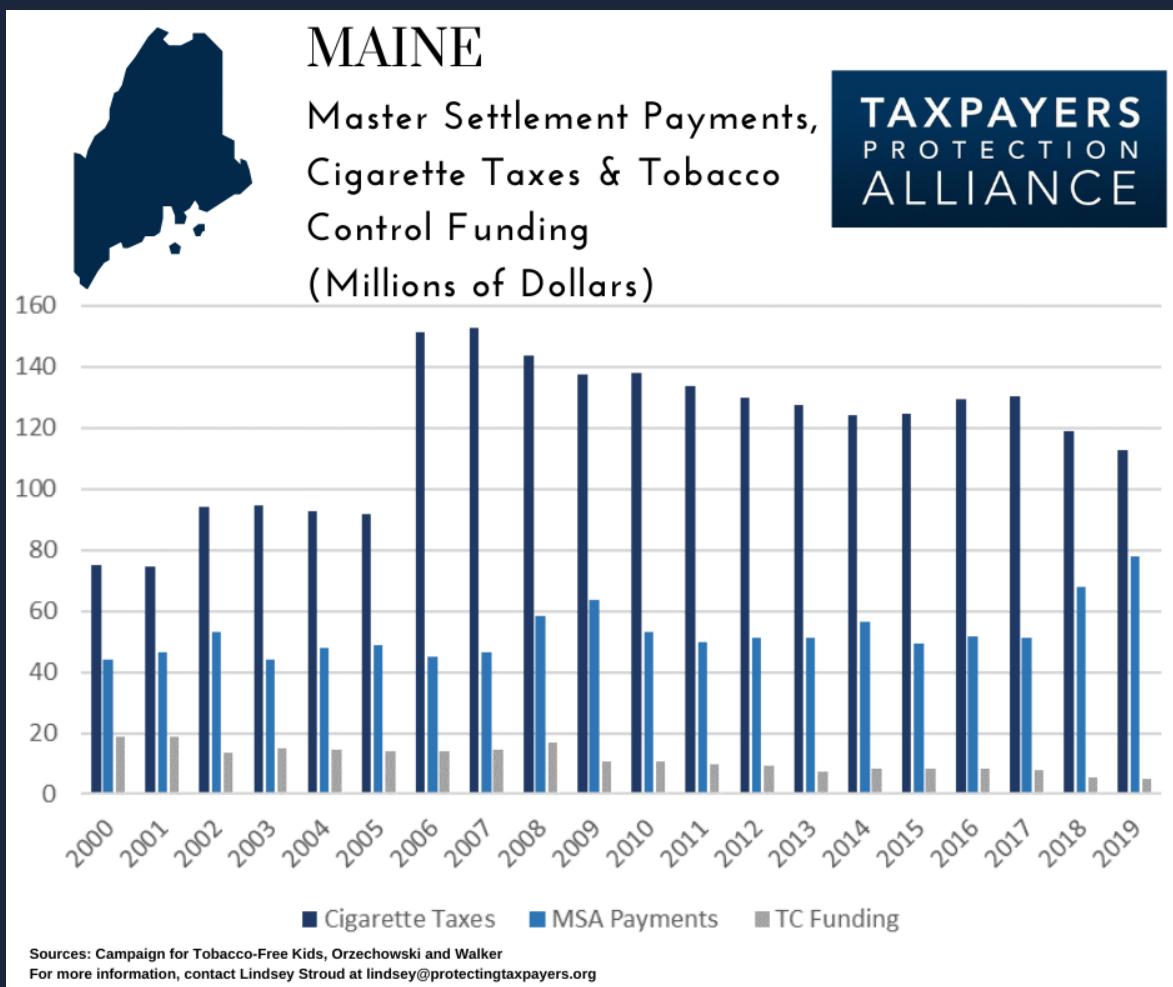
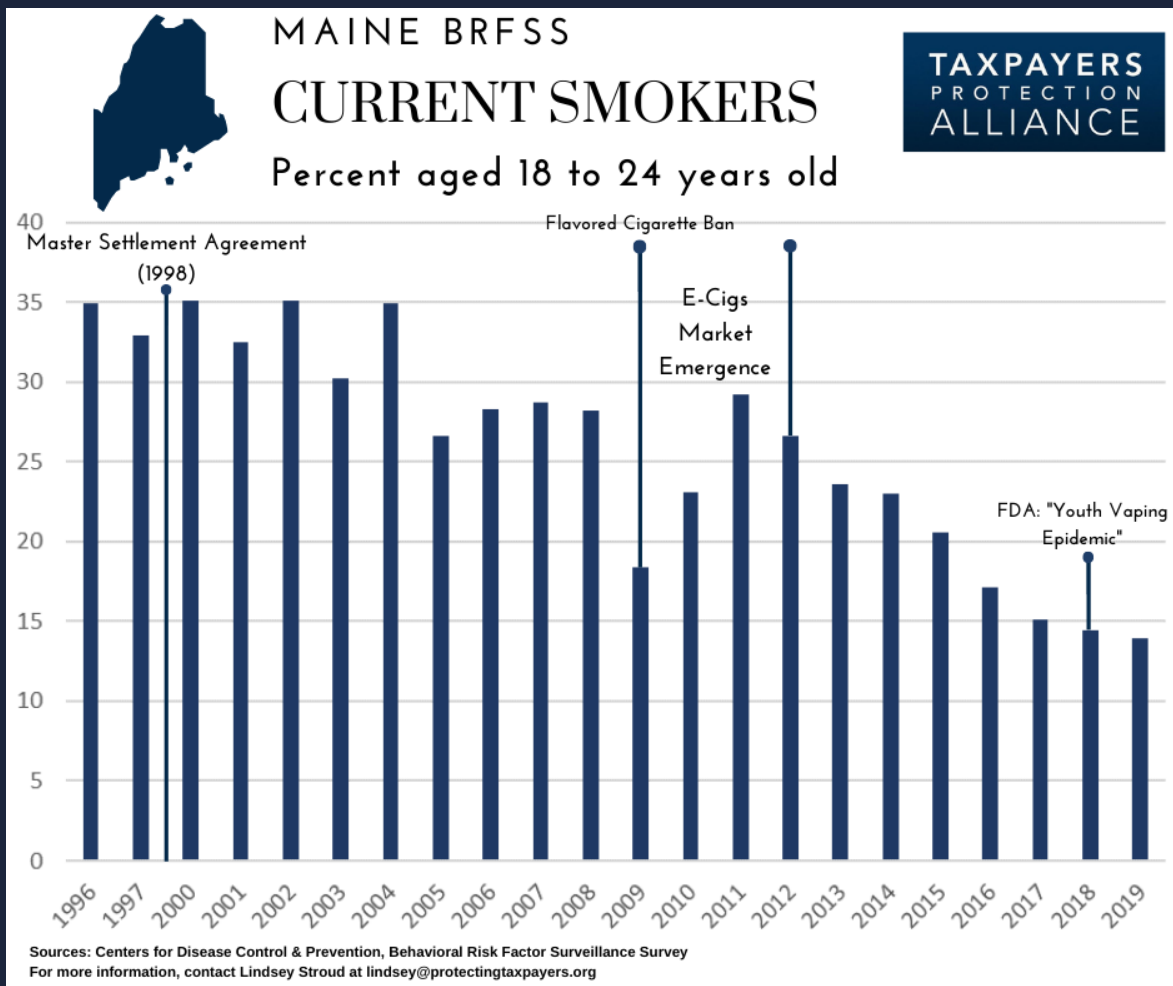
Further e-cigarettes’ market emergence was associated with a larger decline in average annual percent decreases among all current smokers. Between 1997 and 2007, the percentage of current smokers decreased on average 0.98 percent each year. Between 2009 and 2019, annual percentage declines average at 1.8 percent.

***10 YEARS AFTER E-CIGARETTES’ MARKET EMERGENCE IN
2009, SMOKING RATES AMONG CURRENT SMOKERS AGED
18 TO 24 YEARS OLD DECREASED BY 24.5 PERCENT.***

POLICY IMPLICATIONS:

- In 2019, 17.6 percent of Maine adults smoked combustible cigarettes, a 29.6 percent decrease from 1995. Youth combustible use has decreased by 82 percent from 37.8 percent of high school students smoking cigarettes in 1995 to 6.8 percent in 2019.
- Maine spends very little on tobacco control programs, including prevention and education. In 19 years, the Pine Tree State allocated only \$231.9 million toward tobacco control programs. During the same time period, Maine received an estimated \$2.377 billion in cigarette tax revenue and \$1.058 billion in tobacco tax settlement payments.
- E-cigarettes appear more effective than MSA payments in reducing smoking rates among young adults in Maine.
- 10 years after the MSA, smoking rates decreased among 18- to 24-year-olds by 12.8 percent. And, 10 years after e-cigarettes market emergence, smoking rates among 18 to 24 years old decreased by 24.5 percent.

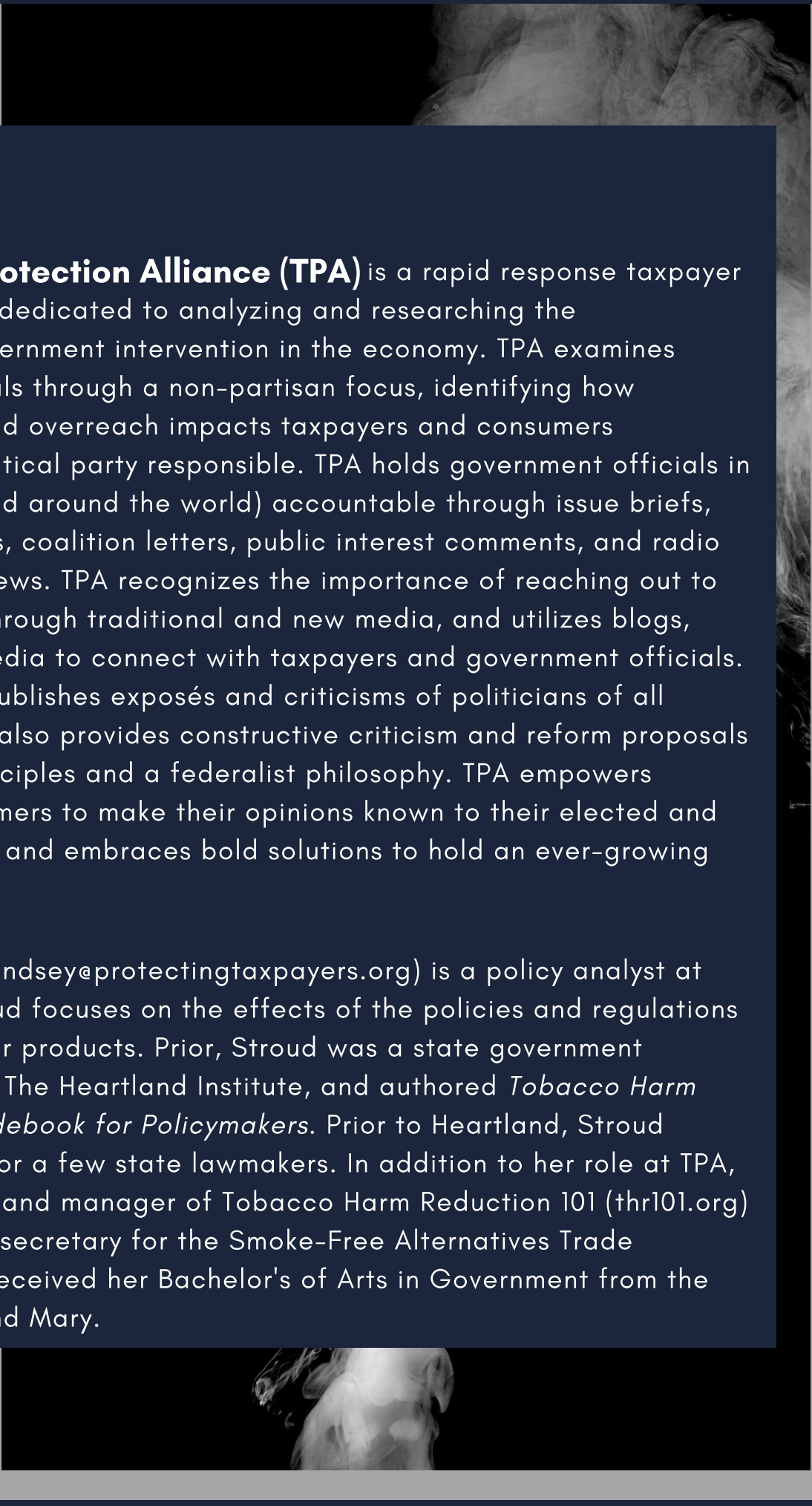






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ABOUT

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.

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