

GEORGIA STATEWIDE TOBACCO TAX

Key findings from a statewide survey of 500 likely voters in Georgia, conducted February 23-25, 2010.



**PUBLIC OPINION
STRATEGIES**

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Project #10118

METHODOLOGY

Public Opinion Strategies is pleased to present the key findings of a telephone survey conducted in Georgia. The survey was completed February 23-25, 2010 among 500 likely voters and has a margin of error of $\pm 4.38\%$.

Glen Bolger was the principal researcher on this project. Jim Hobart was the project director, and Bryan Kitz provided analytical support.

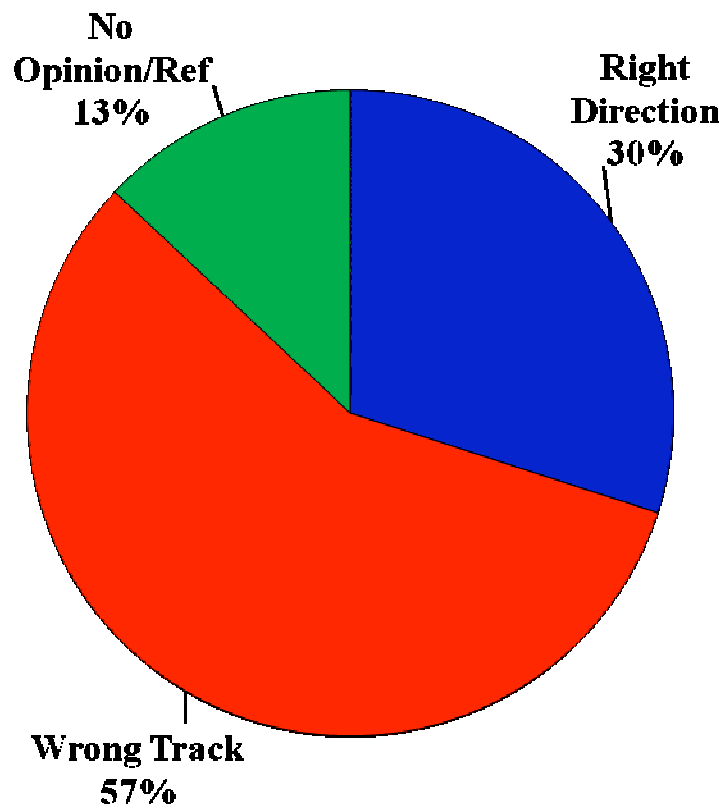


POLITICAL ENVIRONMENT

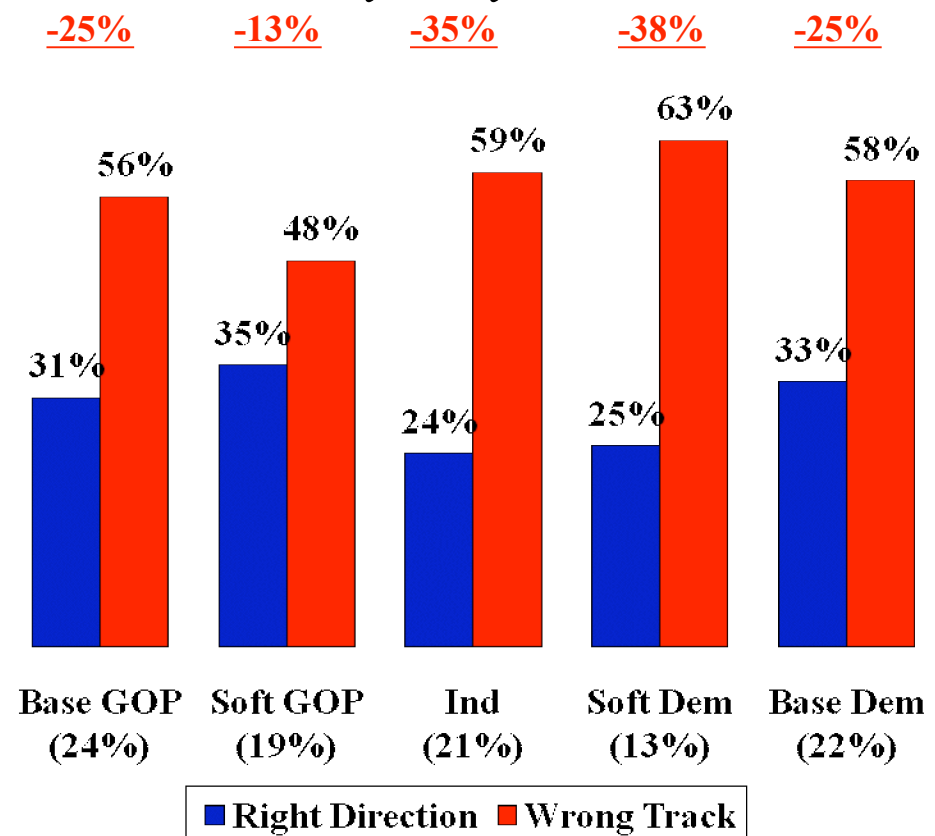
Voters are pessimistic about the direction of Georgia.

"Would you say that things in Georgia are going in the right direction, or have they pretty seriously gotten off on the wrong track?"

Overall



By Party



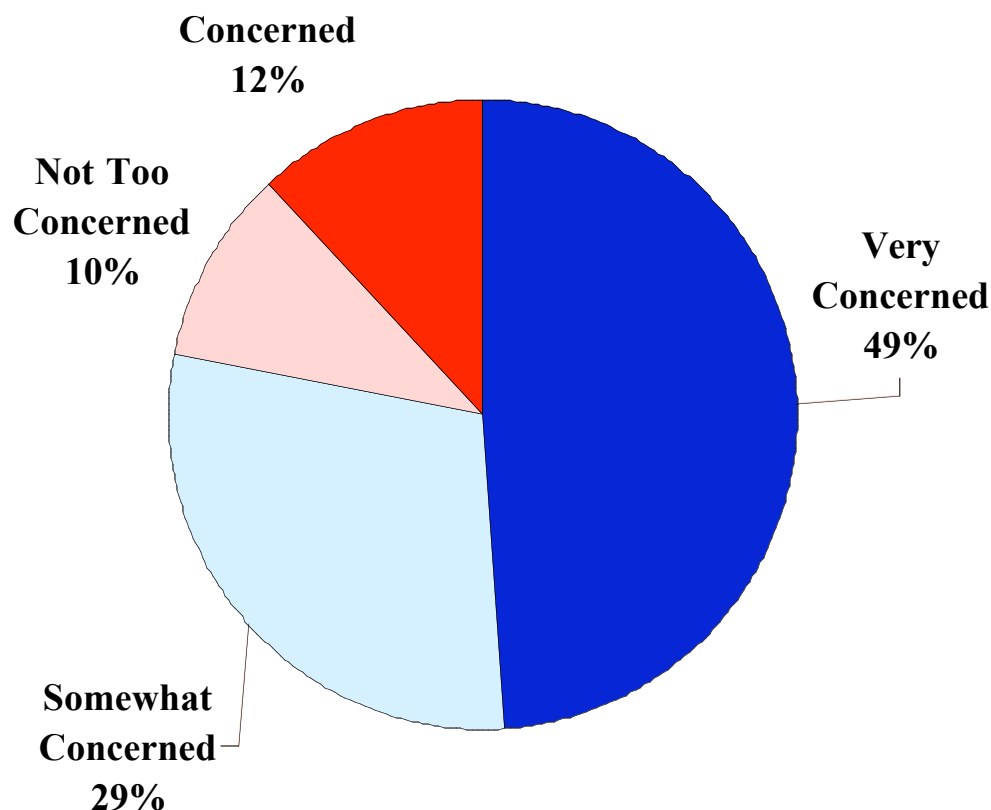


ISSUES

A large majority of voters are concerned about tobacco use among young people.

“How concerned are you about smoking and other tobacco use among young people in Georgia...are you... very concerned, somewhat concerned, not very concerned, or not at all concerned?”

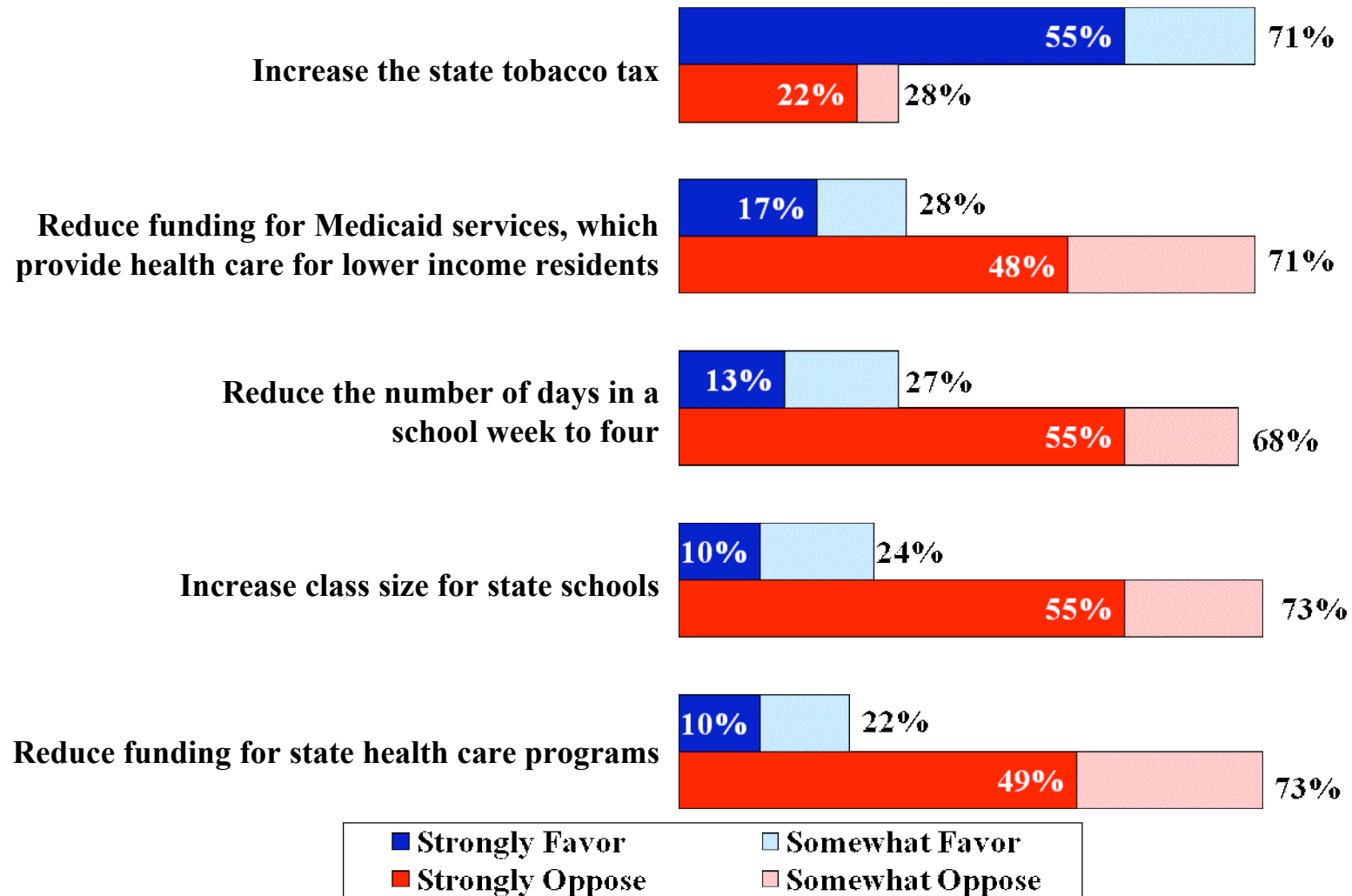
Total Concerned: 78%
Total Not Concerned: 21%*



* Denotes Rounding

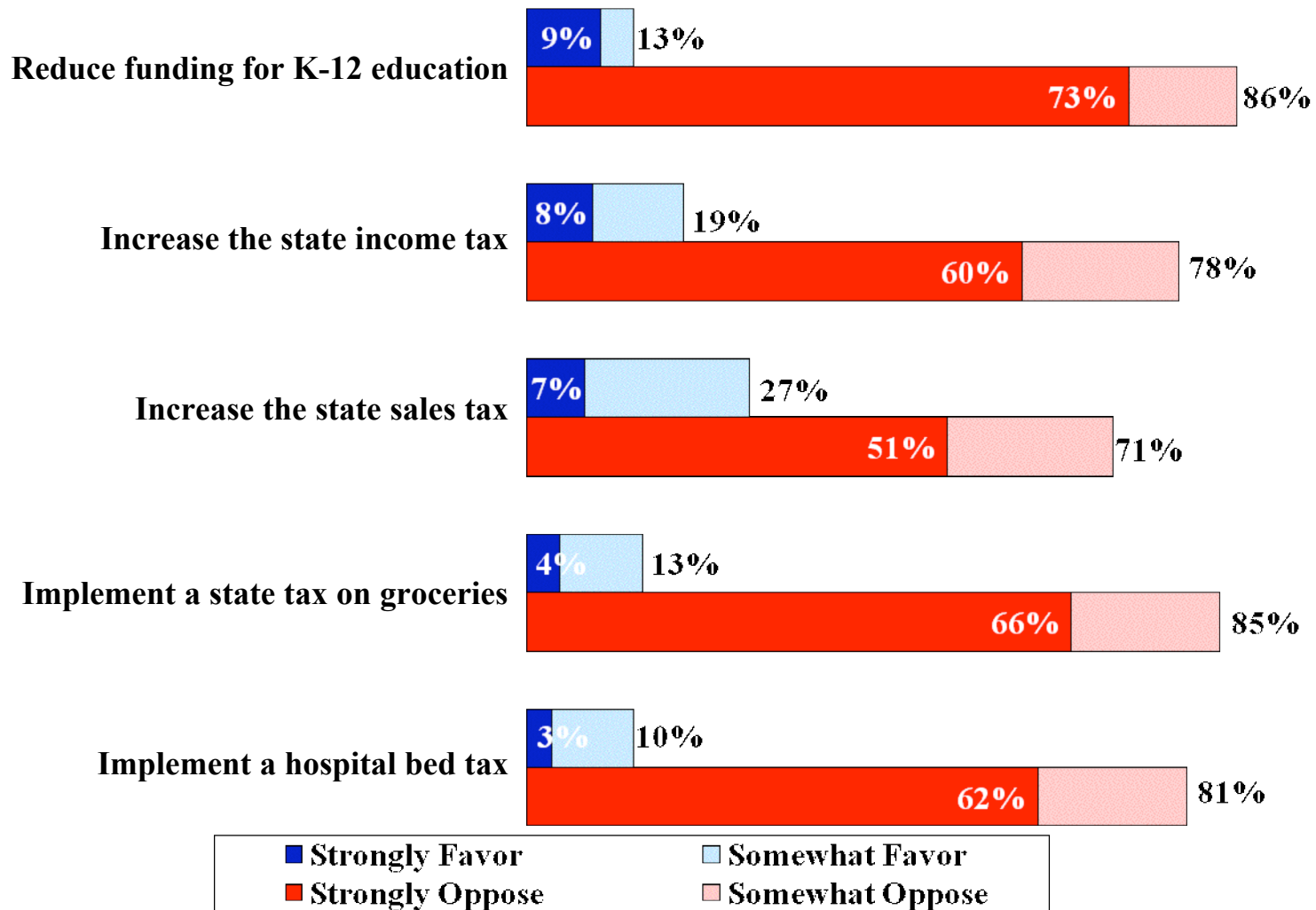
Voters strongly favor increasing the state tobacco tax.

Budget Proposals: Ranked By % Strongly Favor



Large majorities of voters oppose these proposals.

Budget Proposals: Ranked By % Strongly Favor



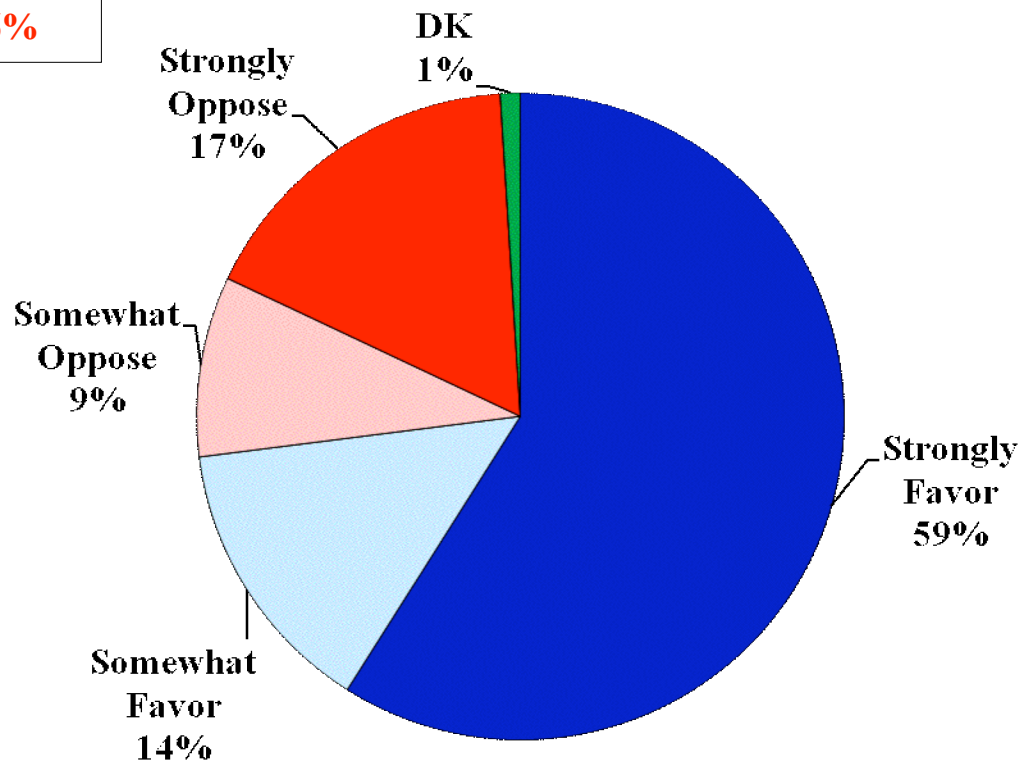


TOBACCO TAX

Voters strongly favor a \$1.00 per pack tobacco tax increase.

“Would you favor or oppose a one dollar per pack increase in the state tobacco tax as part of an effort to reduce tobacco use, particularly among kids, with the new revenue used to preserve Medicaid funding in the state?”

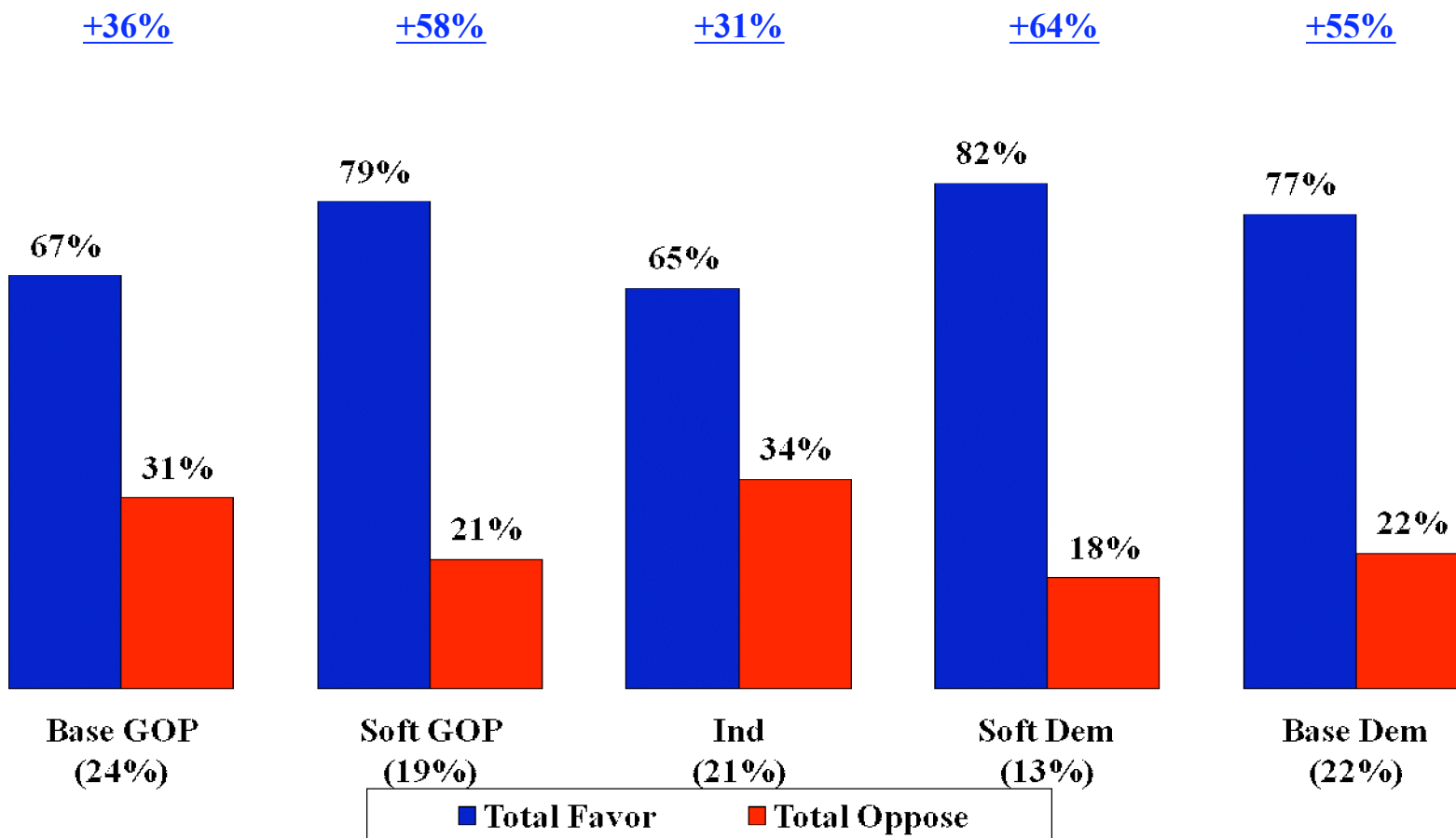
Total Favor:	73%
Total Oppose:	26%



* Denotes Rounding

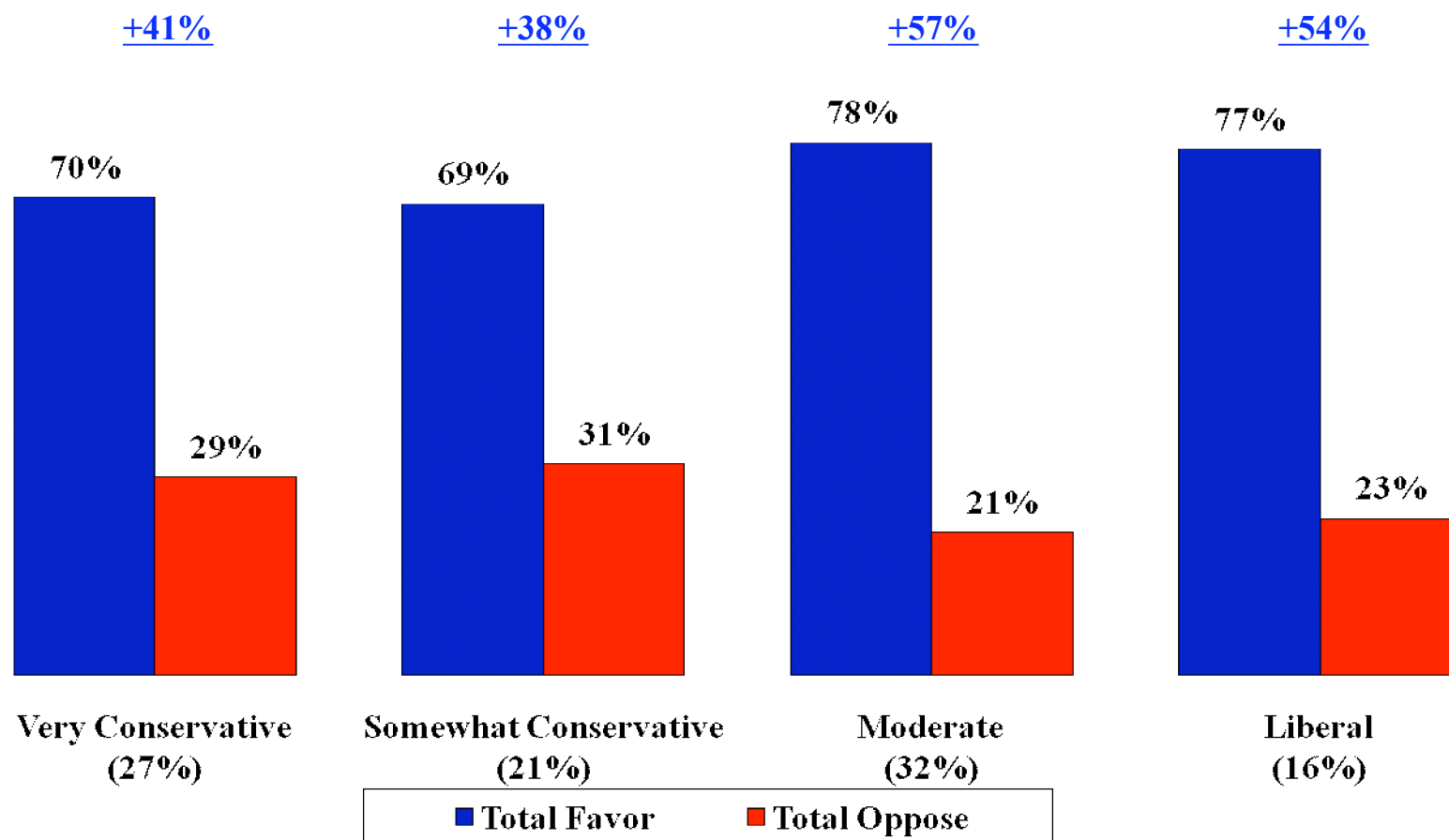
A \$1.00 per pack tax increase enjoys broad, bipartisan support.

\$1.00 per Pack Tax Increase by Party



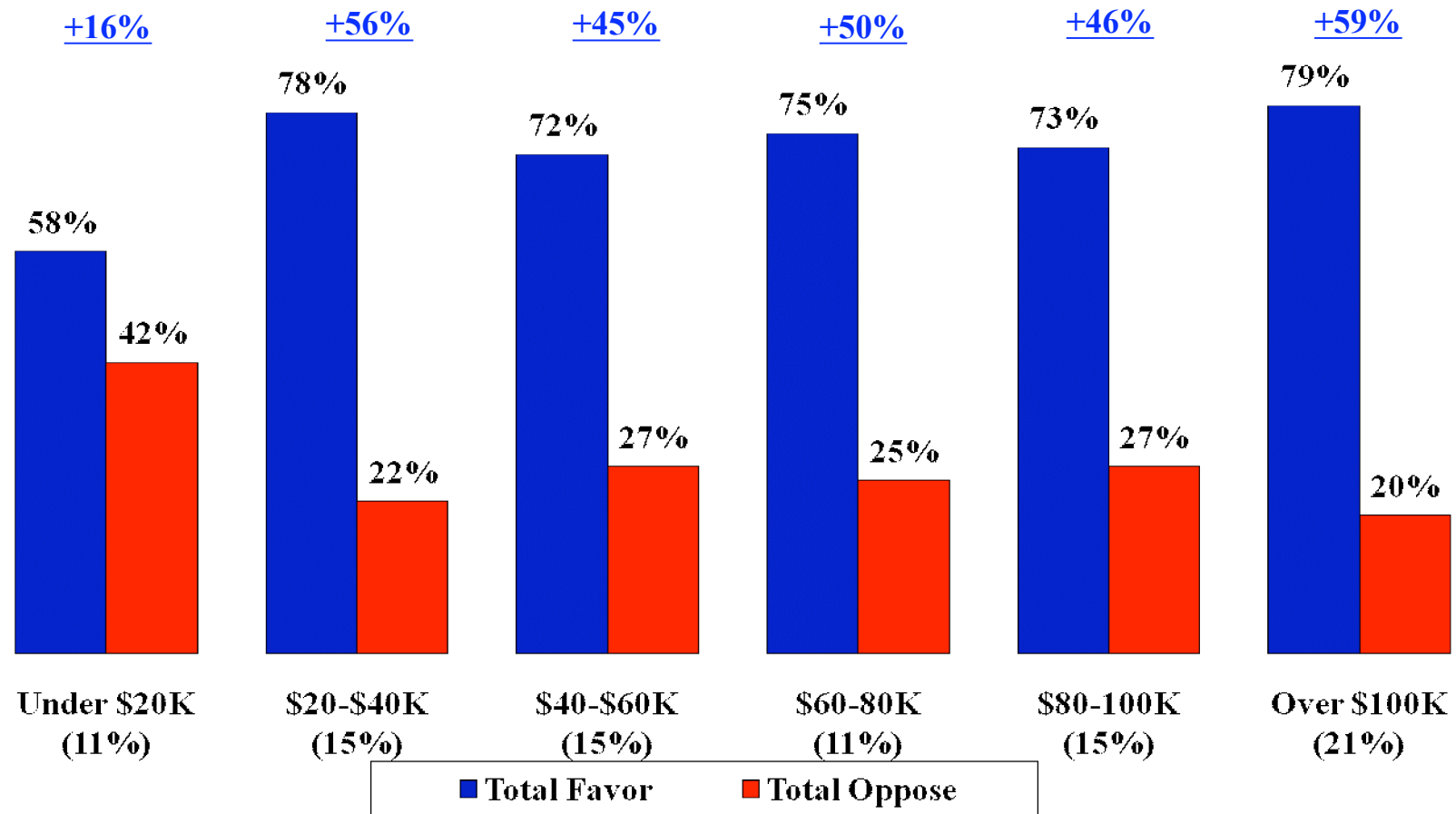
Support for the \$1.00 per pack tax increase crosses the ideological spectrum.

\$1.00 per Pack Tax Increase by Ideology



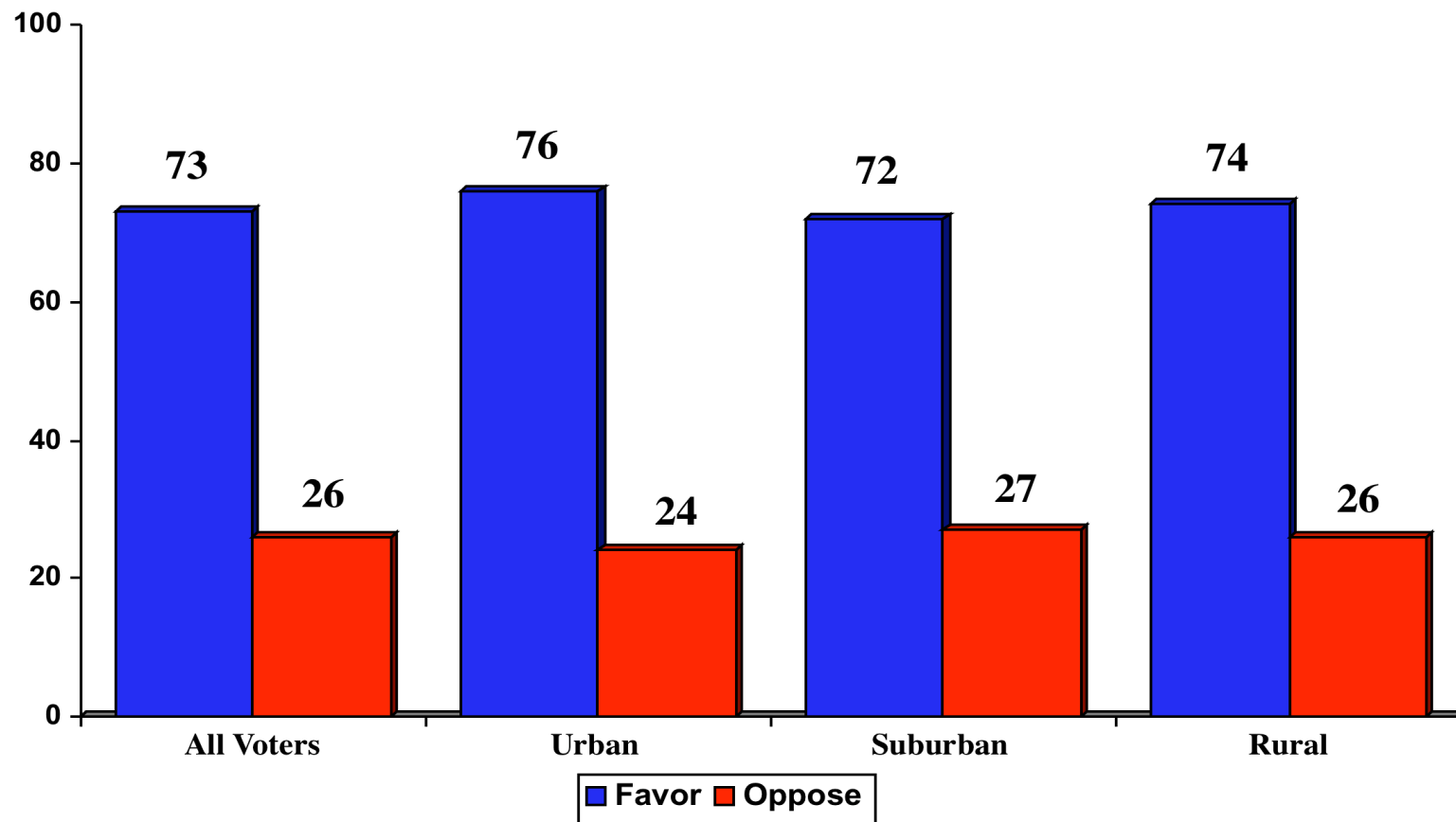
Voters of all income levels support the tax increase.

\$1.00 per Pack Tax Increase by Income



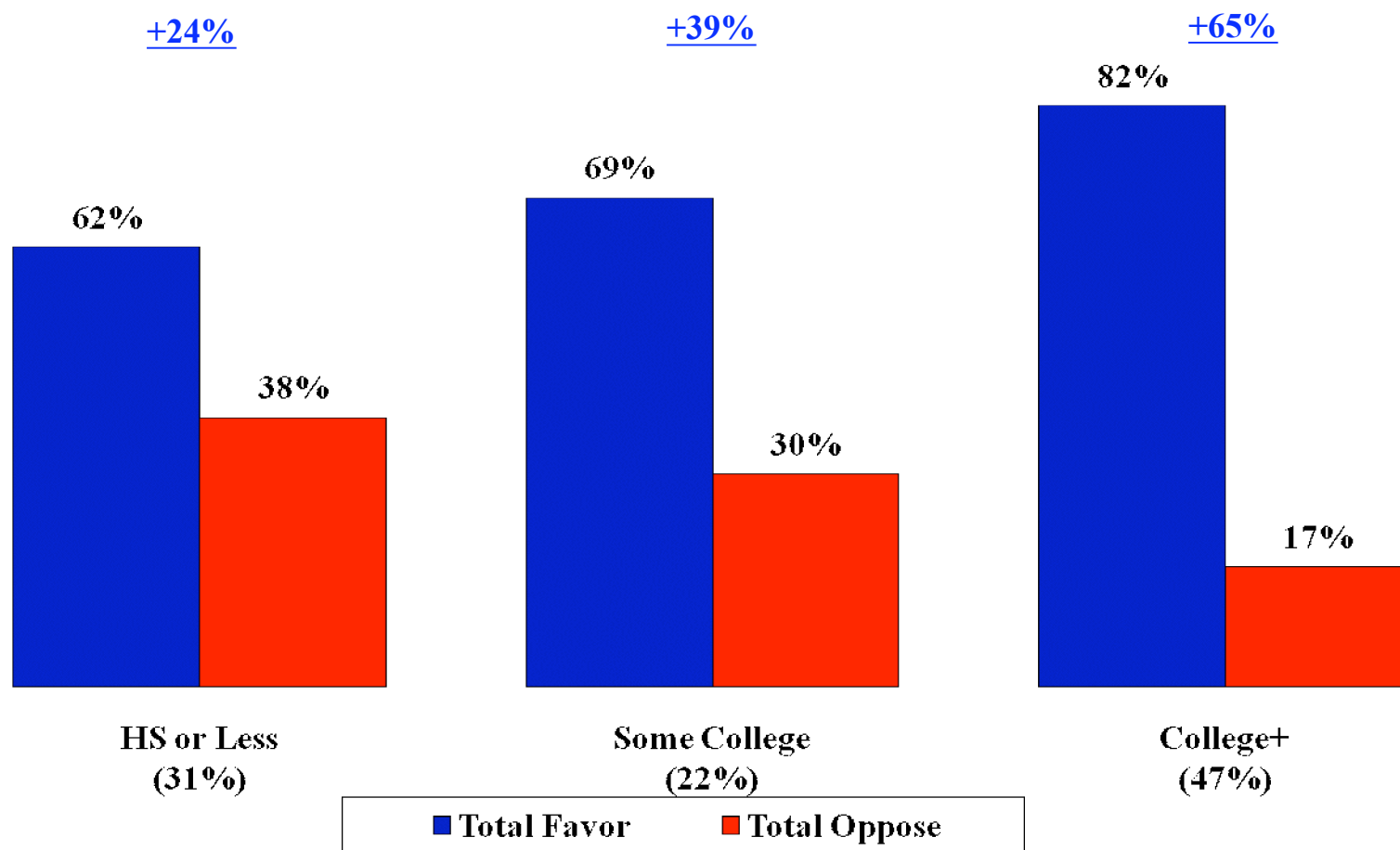
The tax increase enjoys solid support in all areas of the state.

\$1.00 per Pack Tax Increase by Geography



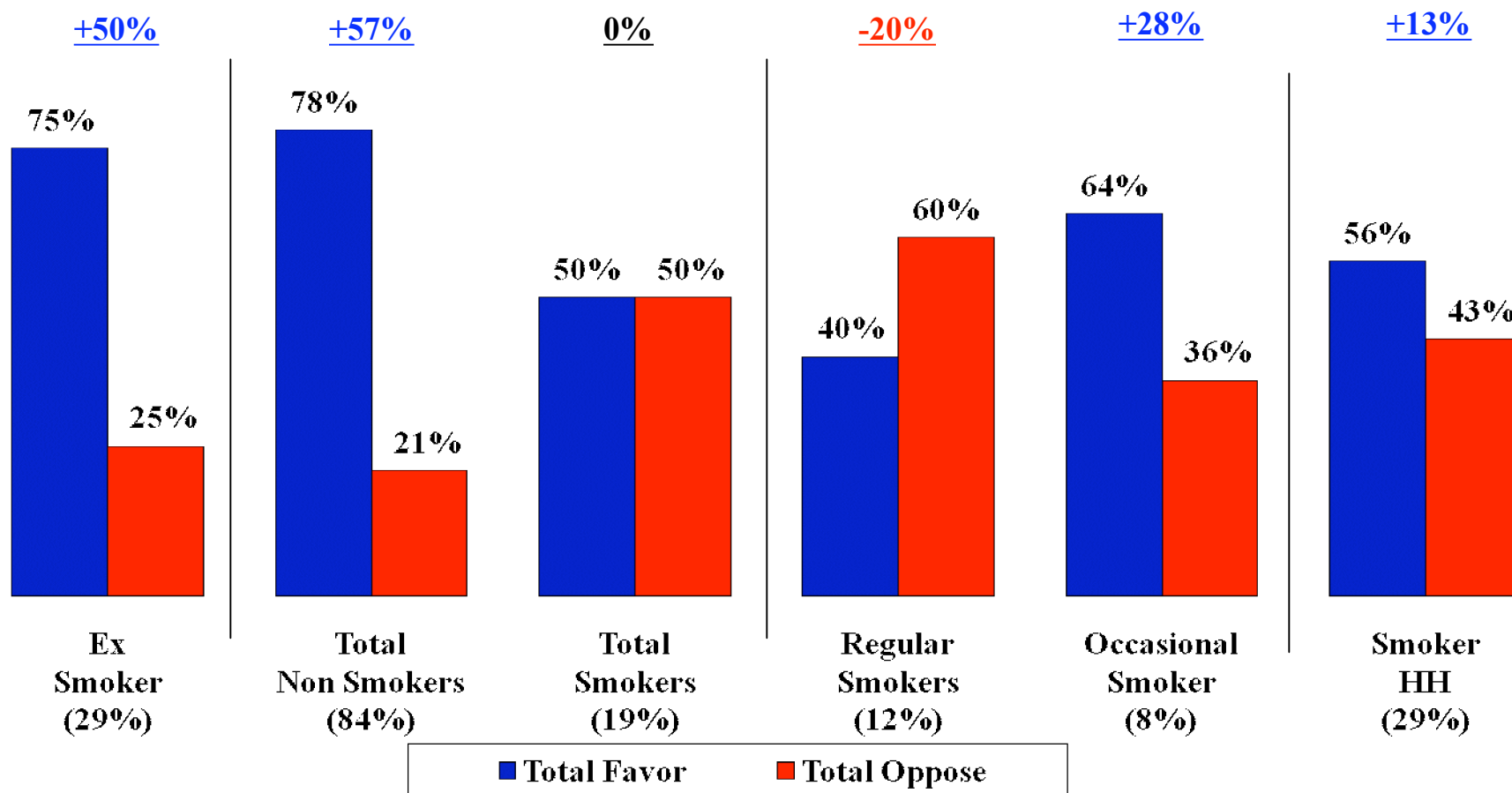
The tax increase is supported by upscale and downscale voters.

\$1.00 per Pack Tax Increase by Education



Only regular smokers show significant opposition to the \$1.00 per pack tax increase.

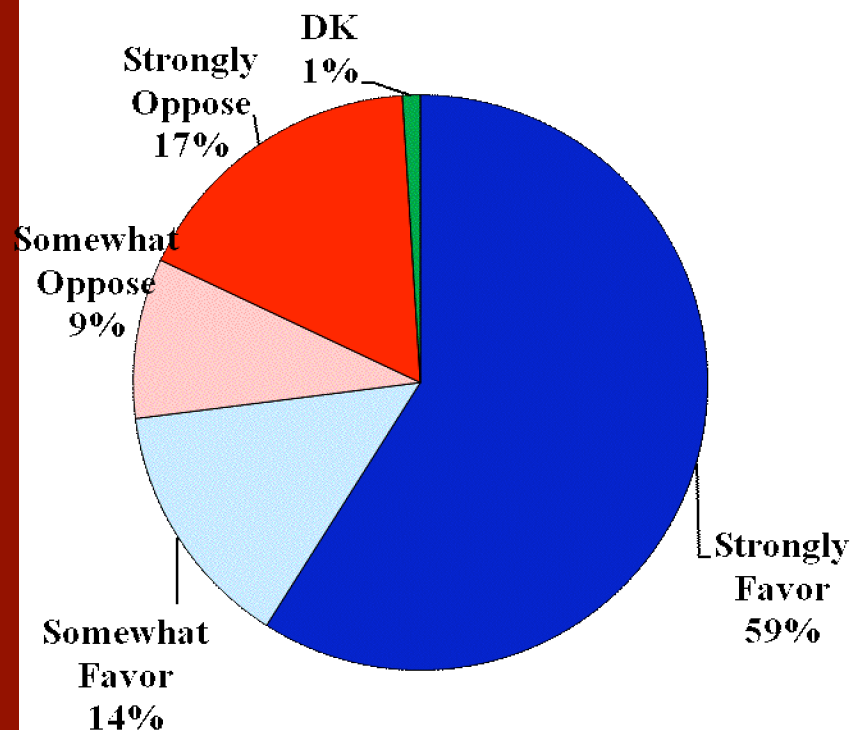
\$1.00 per Pack Tax Increase by Smoking Status



There is no difference in support for a one dollar or a fifty cent increase.

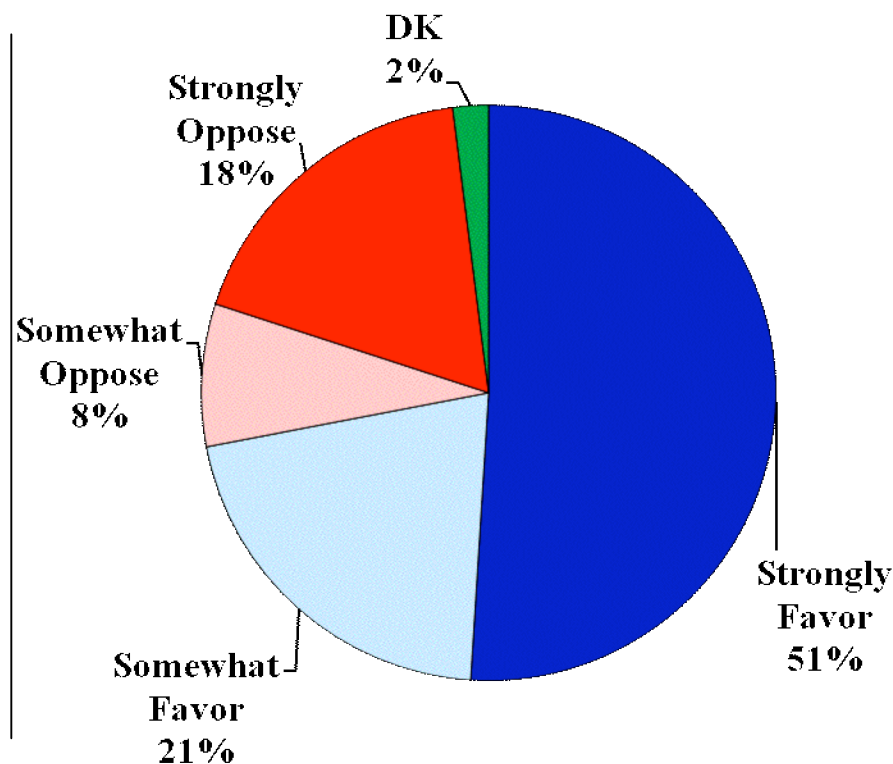
\$1.00 per Pack Tax Increase

Total Favor: 73%
Total Oppose: 26%



\$0.50 per Pack Tax Increase

Total Favor: 72%
Total Oppose: 26%

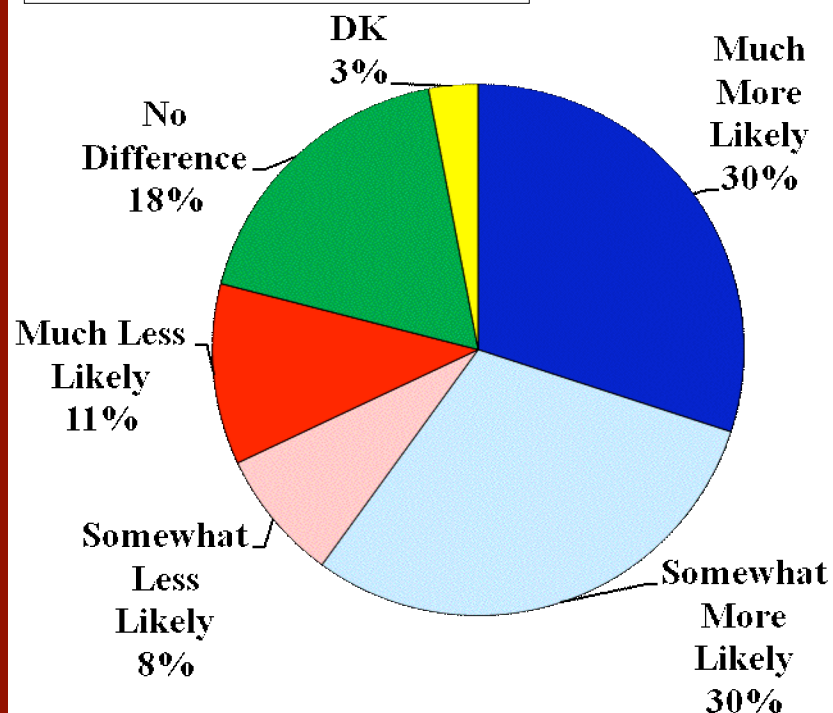


Non smokers favor candidates who support the \$1.00 per pack tax increase. Smokers are divided.

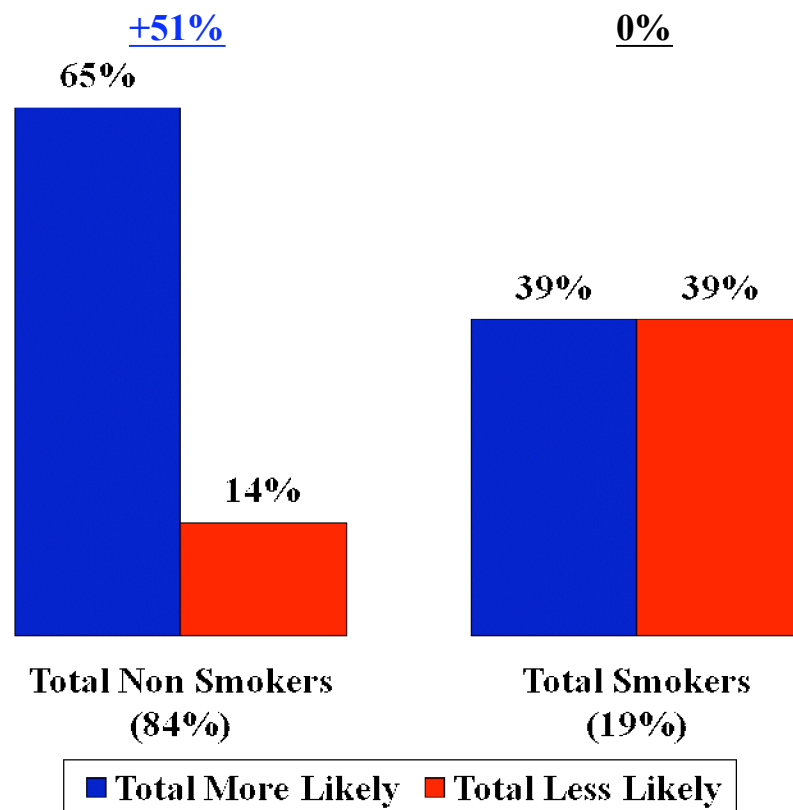
“And, would you be more likely or less likely to support a candidate for political office here in Georgia if they supported this one dollar per pack increase in the state tobacco tax as part of an effort to reduce tobacco use, particularly among kids, with the new revenue used to preserve Medicaid funding in the state?”

Overall

Total More Likely: 60%
Total Less Likely: 19%

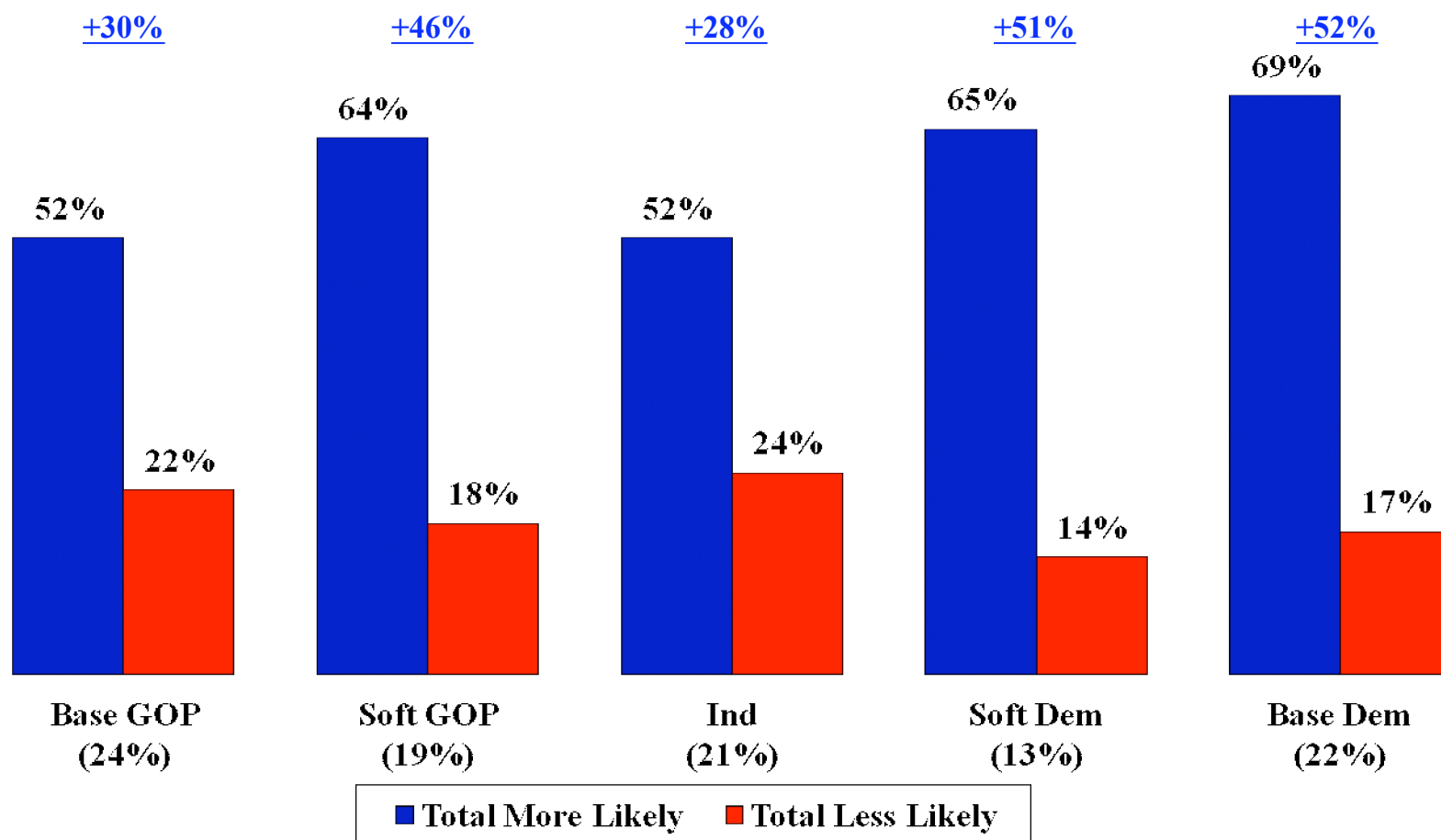


By Smoking Status



Across party lines, the tobacco tax is a plus for a candidate.

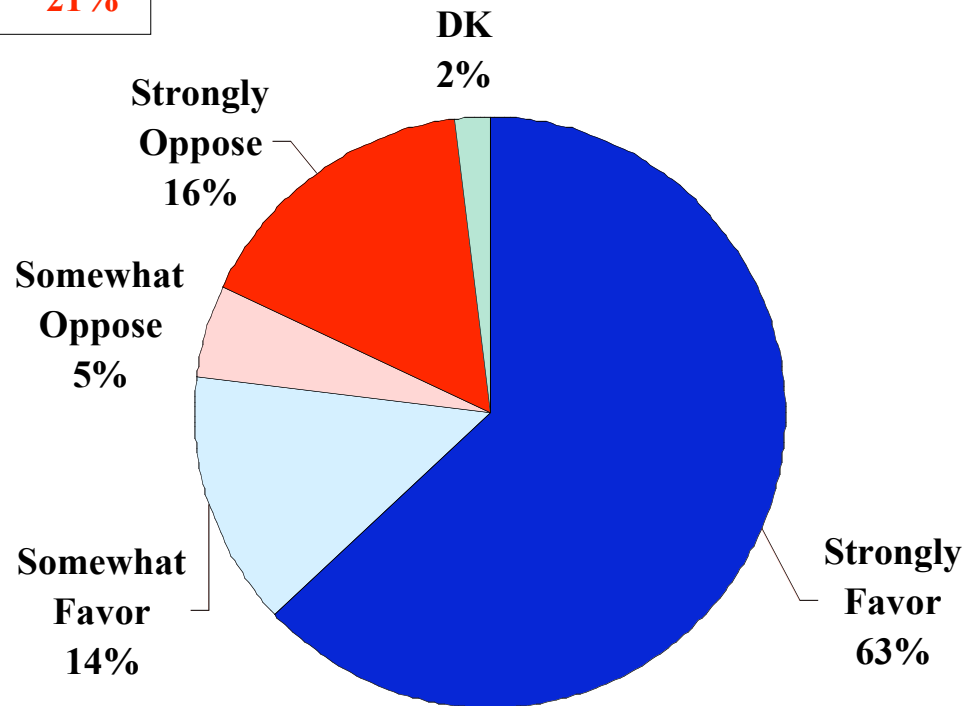
Candidate Who Supports \$1.00 per Pack Tax Increase by Party



A tax on other tobacco products is popular with voters as well.

“Changing topics slightly...Currently, other tobacco products such as cigars and smokeless, or spit tobacco, are taxed at a lower rate than cigarettes. Regardless of whether or not there is an increase in the cigarette tax, do you favor or oppose taxing other tobacco products such as cigars and smokeless, or spit tobacco, at a rate comparable to cigarettes?”

Total Favor:	77%
Total Oppose:	21%





THE BOTTOM LINE

THE BOTTOM LINE

An increase in the tobacco tax is the only revenue option out of the five tested that draws majority support from likely voters in Georgia. The other revenue increase options draw intense opposition. There is also intense opposition to all five options tested for cutting significant spending.

Support for a one dollar increase in the cigarette tax has broad-based and strong support. That support crosses party lines, with 67% of base Republicans and 77% of base Democrats backing it. There is also no real difference by ideology, as 70% of very conservative voters and 77% of liberals support the increase. There is little difference by income, although those earning less than \$20,000 per year aren't as enthusiastic (still, 58% of that group do favor it). Even 50% of smokers back it.

Support for a fifty cent increase is not any different than support for a one dollar increase.

Just as Georgia's political leaders saw in the 2003-2004 election cycle, the politics of a tobacco tax are fine. Fully 60% are more likely to support a candidate who backs a one dollar increase, while just 19% are less likely. Even smokers are up in the air on this issue. Among base GOPers, only 22% are less likely, compared to 52% who are more likely. Among base Dems, the crosstab is 69% more likely/17% less likely.

A proposal to raise the tax on other tobacco products such as cigars and smokeless to the same level as the cigarette tax results in 77% favoring it.

In the realm of public opinion, Georgia's political leaders face a lot of bad options to close the budget shortfall. Increasing the cigarette tax by one dollar is the only idea tested out of ten that voters support – and they do support it strongly. Importantly, support crosses partisan and ideological lines.

For more information about this presentation or about Public Opinion Strategies, please give us a call.

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Turning Questions Into Answers

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Benefits of a \$1.00 Tax Increase in Georgia

- **79,600 kids alive today who will not become smokers**
- **49,100 fewer adult smokers**
- **Preventing 38,400 smoking-caused deaths**



Benefits of a \$1.00 Tax Increase in Georgia

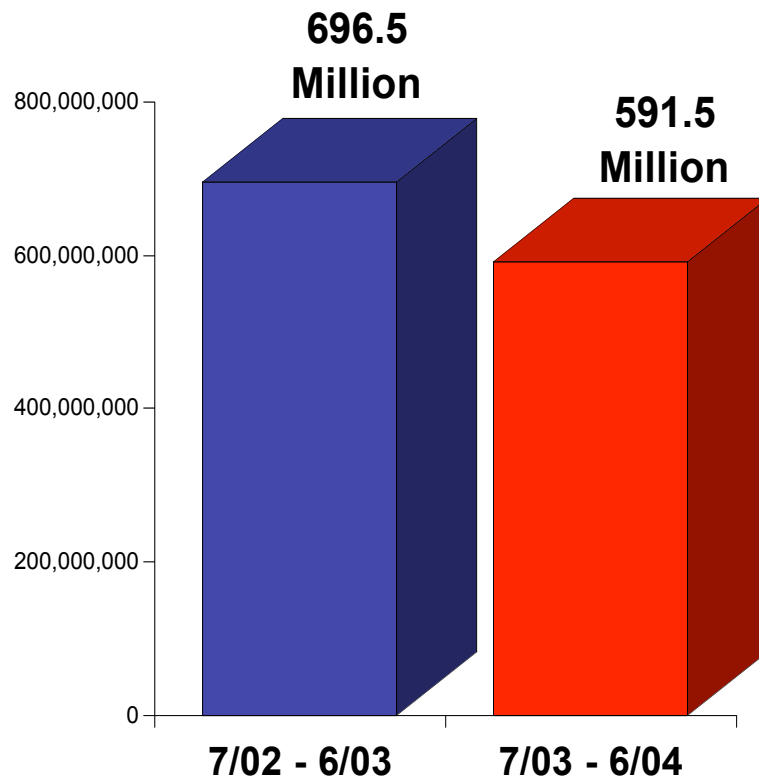
- **\$354.5 million in new cigarette tax revenues**
- **\$41.1 million in 5-year savings from reducing smoking during pregnancy and reduced heart attacks and strokes**
- **\$1.8 billion in long-term healthcare savings**

The Georgia Tax Experience

From .12 to .37 on 7/1/03

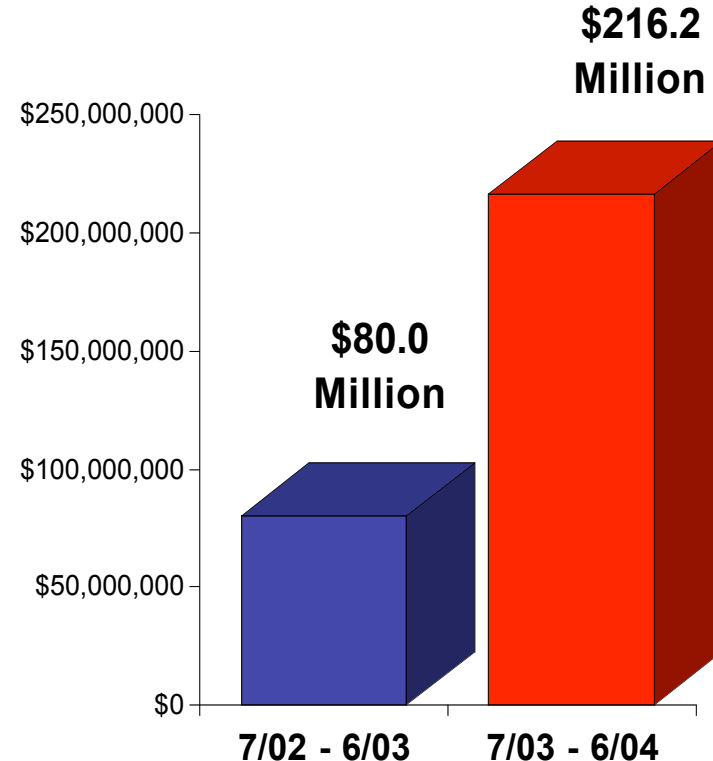
Packs Sold

-15.1%



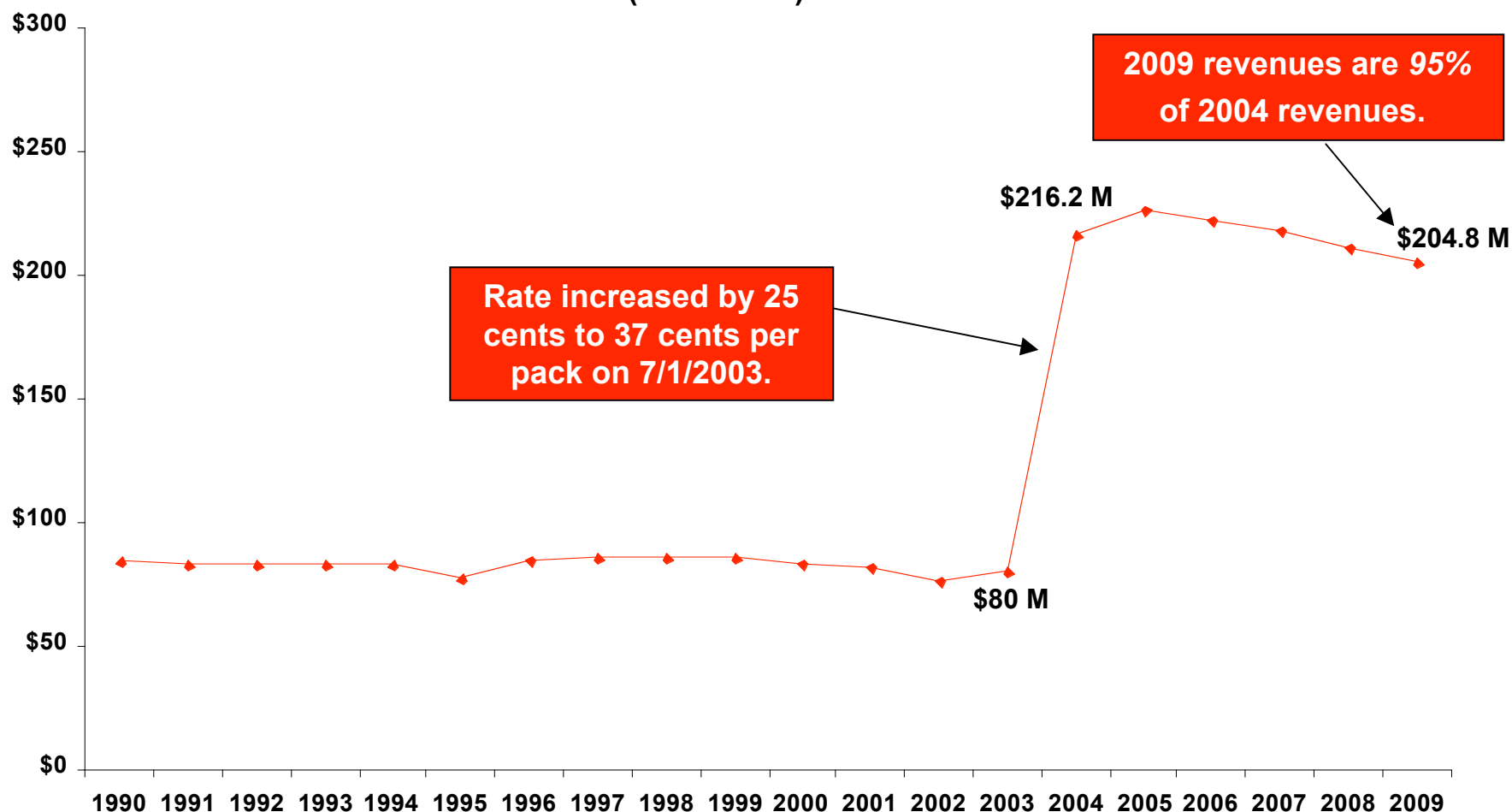
Revenue

+170.2%



Reliability of Cigarette Tax Revenue Following a Significant Increase

CIGARETTE TAX REVENUE IN GEORGIA, 1990-2009
(in millions)

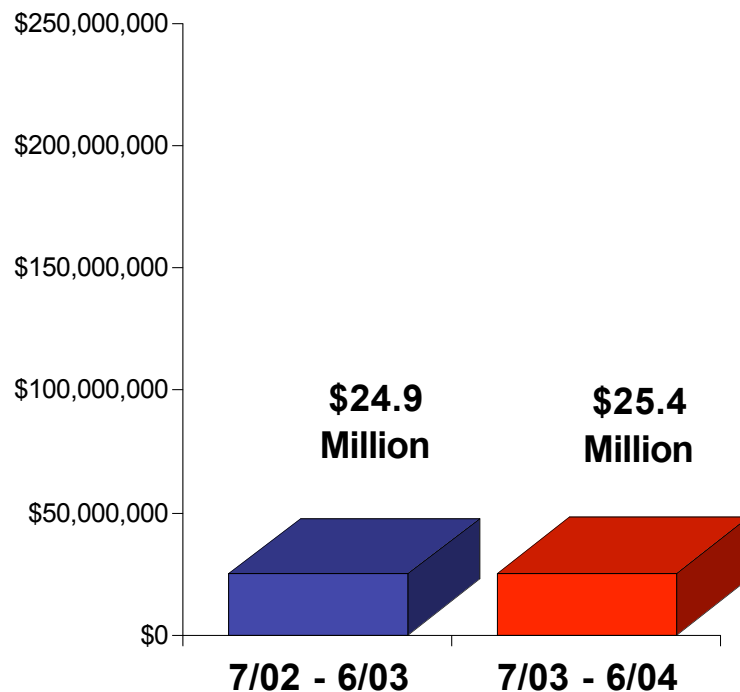


Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, 2009 [industry-funded report]

Cigarette Tax Revenue in SC and GA for Fiscal Years 2003 and 2004

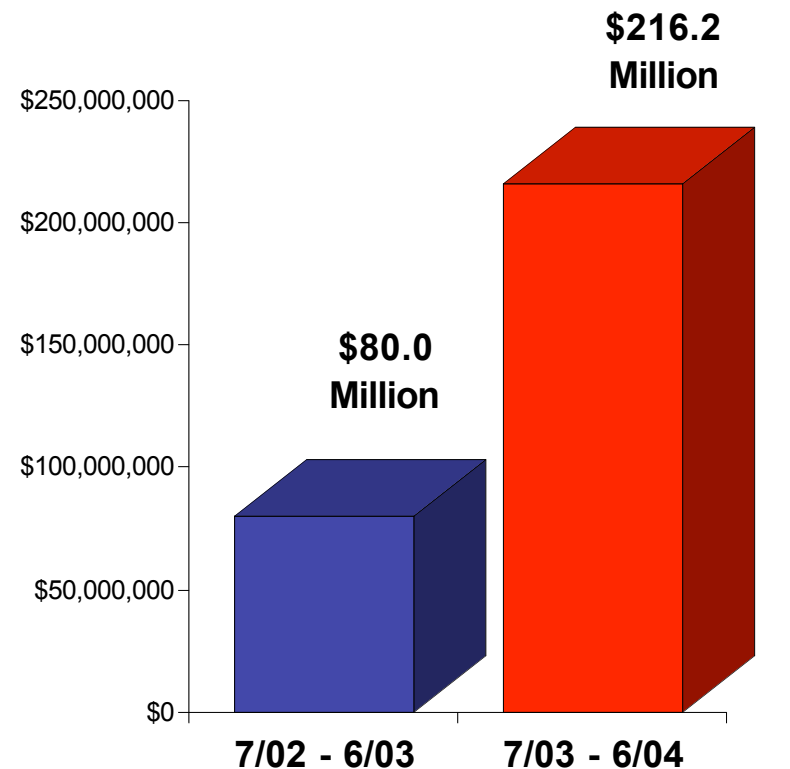
South Carolina

+1.9%



Georgia

+170.2%



GA Tax Increase In Effect 7/1/03

Benefits of a \$1.00 vs 50-cent Tax Increase in Georgia

	<u>\$1.00</u>	<u>50 Cents</u>	<u>Difference</u>
New state cigarette tax revenue each year	\$354.5 M	\$206.7 M	\$147.8 M
Kids alive today who will not become smokers	79,600	39,800	39,800
Current adult smokers who will quit	49,100	24,500	24,600
Georgians saved from premature smoking-caused death	38,400	19,200	19,200
5-year healthcare savings from fewer smoking-affected pregnancies & births, heart attacks, and strokes	\$41.1 M	\$20.6 M	\$20.5 M
Long-term healthcare savings from smokers averted	\$1.8 B	\$929.3 M	\$930.2 M
Voter Support	73%	72%	1%