

MPHA

Maine Public Health Association

Testimony of Maine Public Health Association Regarding:

LD 210: An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on Taxation
Room 228, State House
Monday, February 3, 2025

Good afternoon, Senator Rotundo, Representative Gattine, Senator Grohoski, Representative Cloutier, and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs, and Taxation. My name is Rebecca Boulos, and I am Executive Director of Maine Public Health Association. I grew up in Maine and currently reside in South Portland. I am here today to present testimony in support of two specific taxation provisions in the Governor's proposed Biennial Budget: the increases to the state's tobacco tax and cannabis tax.

MPHA is a professional membership organization, representing nearly 850 public health professionals and 70 organizations across Maine. Our mission is to advance the health of all people and places in Maine.

Tobacco Tax

We support the proposal to increase the cigarette excise tax by \$1.00 per pack (from \$2.00 to \$3.00), with corresponding tax increases on other tobacco products like electronic cigarettes.

Data show that increasing the price of tobacco products can effectively decrease youth and adult smoking rates. In fact, every 10% increase in the real price of cigarettes is associated with a 6-10% decrease in youth smoking rates.¹ And, because Maine passed tobacco tax equalization, emerging products – like electronic cigarettes and nicotine pouches that are popular among youth – will see an equivalent tax increase thanks to LD 210. This comprehensive approach will help reduce youth tobacco use in Maine.

Every year in Maine, the tobacco industry spends \$45 million on product marketing, and 2,400 people die prematurely from smoking-related illnesses. We also pay \$942 million in direct health care costs associated with tobacco use each year. The data show that tobacco use among Maine youth is higher than the national average. According to the 2023 Maine Integrated Youth Health Survey, 18% of high school students use some form of tobacco, including cigarettes, cigars, e-cigarettes, and smokeless tobacco; 30% of high school students have ever used e-cigarettes and 97% of youth who vaped in the past 30 days, used a flavored product. Among Maine adults, in 2022, 15% of adults smoked (nationally, the rate was 14%); 6.1% of adults in Maine used e-cigarettes and 2.9% of adults used smokeless tobacco.

We strongly support allocating a portion of the tax increase to the Fund for a Healthy Maine (FHM), which faces a structural deficit. The FHM houses several programs that support the health of people in Maine, including tobacco prevention and treatment programs. Further, a 2021 analysis found that, "tobacco tax increases are less likely to be regressive when accompanied by a broad framework of demand-side measures that enhance the capacity of low-income smokers to quit tobacco use."² Allocating a portion of the tax to this Fund will align the tax with its purpose – supporting the health of people in Maine.

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Cannabis Tax

We support the proposed increase in the adult use cannabis sales tax because the ever-increasing access to cannabis in Maine – through home delivery and off-premises sales, for example – has not been paired with concurrent investments in enforcement, public health education and public safety efforts.

Among Maine adults (18-25 years), 35% report using cannabis in the past month (2018/2019); among adults 26 years of age and older, 16% report using cannabis in the past month. In 2020, there were 5,632 cannabis-related ED visits, representing a 21% increase from 2019. Rates were disproportionately higher for males and for people ages 18 to 25 years old. Furthermore, the number of poison center calls in Maine related to cannabis exposure for kids 5 years old and younger **increased 20-fold from 2016-2022**.

We are hopeful the funding from the tax increase will support public health and safety efforts. We respectfully request you please support these public health provisions. Thank you for considering our testimony.

¹ Association of State and Territorial Health Officials. Taxation strategies to reduce tobacco use. 2019.

<https://www.astho.org/topic/brief/taxation-strategies-to-reduce-tobacco-use>.

² Verguet S, Kearns PKA, Rees VW. Questioning the regressivity of tobacco taxes: A distributional accounting impact model of increased tobacco taxation. *Tobacco Control* 2021;30:245-257.