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**NEW YORK HAS COLLECTED OVER \$40 BILLION FROM TOBACCO COMPANIES SINCE
MASTER SETTLEMENT AGREEMENT 20 YEARS AGO**

**CUTS TO TOBACCO CONTROL LEAVE THE STATE SPENDING
LESS THAN 20 YEARS AGO**

**NEW YORK'S TOBACCO CONTROL EFFORTS ARE "FALLING SHORT" DUE TO
SHRINKING SUPPORT**

(Albany, N.Y.) A report released today calculated that New York State shortchanges its programs to keep kids from using tobacco products and to help smokers to quit. According to the New York Public Interest Research Group (NYPIRG), the state has collected over \$40 billion from tobacco taxes and revenues from the Master Settlement Agreement (MSA). The MSA was agreed to in 1998, 20 years ago, and settled New York's litigation with the tobacco industry over the sale of its deadly products. As part of that agreement, the tobacco industry has paid the state of New York over \$16 billion.

Yet despite promises to use a portion of the revenues for tobacco control programs, the state spends far less than that recommended by the federal government and, when accounting for inflation, spends less today than it did 20 years ago on the program. The report, *Falling Short*, reviewed the revenues collected by New York State and its spending on tobacco control. The report found:

- New York has collected over \$24 billion in tobacco taxes and fees since the national Master Settlement Agreement (MSA) went into effect in 1999. Coupled with tobacco revenues from the MSA, New York has collected nearly \$41 billion since 1999.
- Despite this windfall, New York spends less today (adjusted for inflation) on its state tobacco control program than it has over the past twenty years. New York has spent less than \$1 billion on tobacco control since the MSA, despite promises to use the money to combat tobacco addiction.
- It appears that the state does follow expert guidance on how to implement a tobacco control program, but independent audits have repeatedly identified the state's lack of resources as a major flaw.
- Instead of enhancing support for TCP, the state has added responsibilities to monitor vaping use, without providing additional resources for these activities, despite additional revenues generated by taxes on vaping products.
- Flavored tobacco products, like its vaping cousins, are designed to entice youth to a deadly addiction. Federal law allows the sale of menthol flavored cigarettes and the current restriction does not cover flavored cigarillos, chewing, and cigar tobacco products.
- The health and financial benefits of the state's tobacco tax rates have eroded over time. The state's cigarette tax (and little cigar tax) has remained unchanged over the past

decade. Other tobacco taxes have not changed and are lower than those found on cigarettes.

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NYPIRG recommended:

- New York should increase its commitment to tobacco control efforts by following the recommendations of the U.S. Centers for Disease Control and Prevention's (CDC); it recommends the state spend up to \$203 million annually.
- Given its added responsibilities, *additional* resources (beyond the amount recommended by the CDC), should be added to ensure adequacy in tackling its new public educational efforts.
- For the same reasons that the state ends the sale of flavored vapes, it should prohibit the sale of flavored *tobacco* products.
- The state's cigarette and little cigar tax should be raised \$1 and other tobacco products should be taxed at equivalent rates. The state should embrace new tax stamp technologies and bolster tax enforcement efforts.

The report can be found at: www.nypirg.org.