

## SIGN-ON LETTER IN SUPPORT OF DEDICATED PUBLIC HEALTH REVENUES

To sign on, click [here](#) or email [llamour@mphaweb.org](mailto:llamour@mphaweb.org). A copy will also be sent to the House Ways and Means Committee asking them to include these revenues in the House budget.

***DEADLINE IS FRIDAY APRIL 3<sup>RD</sup> AT NOON.***

April 7, 2009

Chairman Jay Kaufman and Chairman Benjamin Downing  
Joint Committee on Revenue  
State House  
Boston, MA 02133

### **Re: Support for Dedicated Public Health Revenues**

Dear Chairman Kaufman and Chairman Downing:

We are writing from a shared position of concern for the fate of public health in Massachusetts and a belief that new revenue is a vital part of the solution to our immediate and long term budget problems.

**On behalf of our consumers, providers, colleagues, and families, we urge you to enact three new revenues:**

- 1) Create a Wellness Trust, funded by an excise tax on sugar-sweetened beverages and minimally-nutritious snacks, at 8% and 10% respectively.
- 2) Remove the sales tax exemption on alcohol sold in package stores.
- 3) Close the tax loophole on non-cigarette tobacco products.

These revenues will correct unfair provisions of the current tax code and align tax policy with public health goals. Funds raised through these measures should be dedicated to bolstering public health programs, especially programs that combat the severe health issues associated with these products – underage drinking, addiction, smoking, obesity, and chronic diseases like diabetes, asthma, and heart disease. It is important to dedicate these funds to public health for three reasons:

**First, public health programs protect the Commonwealth's most vulnerable residents and reduce health disparities.** These products are often targeted toward youth, low income communities, and communities of color. By dedicating new funds for the groups most affected, the Commonwealth will provide a benefit that will dwarf the minimal added cost to individuals at the cash register.

**Second, public health programs prevent future health care costs.** Uncontrolled diabetes, addiction, and lung disease are just a few of the preventable conditions that cost the state millions in expenditures every year.

**Third, dedicated revenues will help stabilize public health funding.** Despite its cost effectiveness, public health was disproportionately affected by budget cuts during the last fiscal crisis in FY02, as well as in the current downturn. The Department of Public Health received one of the largest percentage cuts of any area of state government in the FY09 9C cuts and the Governor's proposed House 1 budget. Dedicated revenue will help ensure that the state will maintain a commitment to core public health services.

Each of these revenues is a sensible policy choice:

**Wellness Trust.** A version of this proposal was included in H101 which accompanied the Governor's H1 budget. We recommend substituting language proposed by Representative Brownsberger in H2701.

Funds from the Wellness Trust would be used for innovative projects to promote equal access to healthy food and exercise – known to prevent obesity and related chronic diseases, such as diabetes, asthma, and heart disease. Funds would be raised through an excise tax of 8% on sugar sweetened beverages and 10% on snacks which do not meet widely-respected Institute of Medicine standards. Items subject to this tax would include soda, candy, chips, and similar products. Products such as many granola and cereal bars, milk, and 100% fruit juice would not be affected.

**Removal of the Alcohol Sales Tax Exemption.** A version of this proposal was included in H101 which accompanied the Governor's H1 budget. We recommend substituting language proposed by former Senator Walsh in S759.

Massachusetts continues to have among the highest rates of alcohol use in the nation, and studies have shown that increased taxes on alcohol result in reduced underage drinking, due to higher price sensitivity among minors. Alcohol sold in package stores is currently exempt from the sales tax, along with food and clothing. There is no reasonable justification for this subsidy which results in foregone revenue of approximately \$92 million annually. These funds should be used to create a Substance Abuse Health Protection Fund to expand access to substance abuse prevention, treatment, and recovery support services.

**Closing the Tax Loophole on Non-Cigarette Tobacco Products.** This bill, H2773, was filed by Representative Hecht.

In July 2008, the state increased the cigarette tax by \$1 per pack. But the tax on other tobacco products (OTP), such as small cigars, smokeless tobacco, and roll-your-own tobacco remained level. National statistics show that while cigarette smoking has declined, OTP sales have increased quickly, especially among youth. Some smokers, including kids, switch from more expensive cigarettes to cheaper alternative tobacco products when prices on cigarettes rise. The public health ramification of not equalizing taxes on all tobacco products are severe and can be addressed by increasing OTP excise taxes at the same rate recently applied to cigarettes. A recent poll showed that 81% of voters support closing the tax loophole in the interest of improving public health!

In addition to these three dedicated public health revenues, we support consideration of other broad based revenues to address the severity of the current shortfall.

Together, we urge you to enact these new revenues to help ensure proper funding for public health and to promote healthy, thriving communities across the Commonwealth.

Signed,