**BENEFITS FROM A CIGARETTE TAX INCREASE IN VIRGINIA**

Current State Cigarette Tax: 2.5 Cents Per Pack (51st among all states)

- Average retail price per pack: $3.20 (including state cigarette and sales taxes totaling 16 cents).
- Smoking-caused costs in state per taxed pack sold in state: $5.57


**Last Virginia Cigarette Tax Increase: 9/1/66**

- Inflation since then: +454.9%
- Cigarette price increases since then: +1065.4%
- Today's inflation-adjusted tax rate would be: 14 cents per pack

**Projected Benefits From Increasing State Cigarette Taxes By 50 Cents Per Pack**

- New state cigarette tax revenues each year: $310.3 million
- New state sales tax revenues: $8.0 million
- Fewer packs of cigarettes smoked each year: 43.5 million
- Percent decrease in youth smoking: 10.6%
- Increase in total number of kids alive today who will not become smokers: 44,500
- Number of current adult smokers in the state who would quit: 36,300
- Number of smoking-affected births avoided over next five years: 4,900
- Number of current adult smokers saved from smoking-caused death: 7,900
- Number of kids alive today saved from premature smoking-caused death: 14,200
- 5-Year healthcare savings from fewer smoking-affected pregnancies & births: $5.6 million
- 5-year healthcare savings from fewer smoking-caused heart attacks & strokes: $12.7 million
- Long-term healthcare savings in state from adult & youth smoking declines: $833.4 million

Cigarette tax increases both reduce smoking levels and increase state revenues because the increased tax per pack brings in more new revenue than is lost from the decrease in the number of packs sold. Sales tax revenues from cigarette sales similarly increase, despite fewer pack sales, because the state sales tax percentage applies to the total retail price of a cigarette pack, including the increased state cigarette tax amount.

**Sources**


See, also, the Campaign fact sheets, *Raising State Tobacco Taxes Always Reduces Tobacco Use (& Always Increases State Revenues)*; and *Toll of Tobacco in Virginia*, [www.tobaccofreekids.org/research/factsheets](http://www.tobaccofreekids.org/research/factsheets).

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