

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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Warning: Illinois' Cigarette Tax Policy Hazardous to Your Health!

Chicago – In its latest [study](#) that compares cigarette tax rates to cigarette smuggling rates, the [Tax Foundation](#) confirms our long-held position that the egregious cigarette tax hikes in Illinois, Cook County, and Chicago promote crime and present greater danger to residents, according to Taxpayers United of America (TUA).

“Illinois’ cigarette smuggling rate has increased by 102% from 2006 to 2013. We predicted such a rise, and I testified to these facts at the Cook County Board hearings on their most recent tax increase. We can safely predict that this crime rate will continue to increase since, despite our warning, Cook County proceeded with an additional \$1.00 per pack tax increase in March of 2013. Worse yet, Chicago doubled down and increased their per pack tax by \$0.50 in January of 2014 making cigarette purchases made in Chicago the highest tax rate in the country at \$7.17* per pack,” stated Rae Ann McNeilly, executive director for TUA.

“It’s troubling that their lust for other peoples’ money, aka taxes, limits the ability of the tax-raising bureaucrats to look beyond the faulty logic that tax increases are a good thing when all of the years of data and analysis support our position that such tax increases are not only immoral, but detrimental to the community by expanding black markets and the additional crimes associated with illegal activity.”

“We can’t say it enough times; tax increases serve one purpose only and that is to grow government. 80% of local taxes go to fund salaries and benefits of government employees. Government bureaucrats are desperate to keep the defunct Illinois pension system afloat for as long as they can.”

“Cook County Sheriff, Tom Dart, attributed the shortfall in revenue projections from the prior cigarette tax increase to the black market sales and still the bureaucrats failed to heed the warnings.”

“These cigarette tax increases are especially insulting to taxpayers. The bureaucrats rely on the faulty belief that sin taxes, as they are called, influence behavior in a positive way inducing people to quit smoking. The reality, as supported by years of data, is that these tax policies create a whole new danger to the community while relatively few people actually quit; they simply find a black market source for their habit.”

“When you look at Illinois’ map, it is easy to see how close you are at any location within the state to lower tax and lower cost cigarettes across the borders of neighboring states. From anywhere in the state, you are never more than a couple of hours’ drive from much lower priced cigarettes. And for those who can’t or don’t drive, the entrepreneurial smuggler is at your service.”

“Until we finally reform Illinois’ pension system, we can expect to see bureaucrats across the state raise taxes wherever they can and cigarettes are an easy target.”

“The Illinois government has failed us; local governments have failed us. Government employees would rally behind pension reform if their union bosses and the pols they elect were honest with them about the future of their pensions. It is in everyone’s best interest to solve the pension problem before the system completely collapses. It is no longer a matter of ‘if’ it will collapse, but when.”

“Immediately place all new hires into 401(k) style retirement savings accounts, increase member contributions to their retirement fund, increase retirement age for full benefits, and increase member contributions to 50% of health care premiums. Anything short of these reforms will do nothing to permanently solve the problem. If it takes a Constitutional Amendment, then what are we waiting for?”

*The associated Tax Foundation data does not include the \$1.01 federal excise tax imposed on each pack of cigarettes.