

Don't Fall for I-185 Deception

Deanna Marshall – Letter to the Gazette, Sept. 21, 2018

Proponents of I-185 say this massive tax increase on cigarettes will help reduce smoking in Montana. But when you dig into the details of this gargantuan tax hike, it becomes apparent they don't care much at all about helping people quit smoking. This initiative is really just a cash grab to grow government.

First of all, I-185 isn't just a tax on tobacco products. It also includes a brand new, 83-percent tax on vaping products. Vaping has been identified as a potential way to help smokers quit. Imposing an expensive tax on vaping products will make it that much harder for people who want to quit smoking to afford vaping products to help them quit.

For those of us who've used vaping to get cigarettes out of our lives for good, being lumped together with tobacco is offensive.

Second, the backers of I-185 claim the new revenue raised by their tax hike will be used to fund programs that prevent kids from smoking and help smokers quit. The fact is their initiative only allocates 4 percent of new revenue for tobacco cessation and prevention programs. And, based on the initiative language, it doesn't look like any of the cessation programs will necessarily include vaping.

I-185 would force adult tobacco and vapor consumers to pay \$74 million per year in additional taxes. If I-185 were really about helping people quit smoking, a much larger share of that revenue would be dedicated to helping people quit and stopping kids from starting in the first place.

The supporters of I-185 say this initiative is about helping people, but the truth is it's just another deceptive tax hike. So where does the other 96 percent of this new tax money go?

This initiative seeks to raise tobacco taxes to partially fund permanent Medicaid expansion in Montana.

The cost to taxpayers for Medicaid expansion is projected to be \$60 million annually and growing, but I-185 dedicates no more than \$26 million per year to fund the program. This leaves all taxpayers, not just adult smokers and other tobacco and vapor product consumers, stuck to come up with \$34 million per year to fund the remaining cost.

In 2017, the Montana budget endured massive cuts to many health and human services programs. To find \$34 million, the Legislature may be forced to cut from programs like schools or it may have to raise other taxes.

Worse, I-185 bypasses planned legislative oversight and makes Medicaid expansion permanent. Medicaid expansion is nearly twice as expensive as originally projected, but I-185 would lock the current program into place and create a permanent appropriation without cost controls or efforts to address waste, fraud and abuse. This means the Legislature would have no choice but to pay whatever the bureaucrats deem necessary.

If that sounds risky to you, you're right — and independent legislative staffers think so too. They've already cautioned that the permanent appropriation in I-185 may violate Montana's constitution.

What the supporters of I-185 won't tell you is more than half of the new money goes to existing programs and the general fund. In other words, it's a huge blank check to be used by politicians in Helena.

I-185 creates a new tax on a class of products that have the potential to help people quit smoking, gives a fraction of its new money to prevent smoking in the first place, doesn't fully fund Medicaid expansion (the program it makes permanent), and gives a multi-million dollar blank check to politicians. It's clear that this initiative is all about the money.

Don't fall for this deceptive tax hike; vote no on I-185.