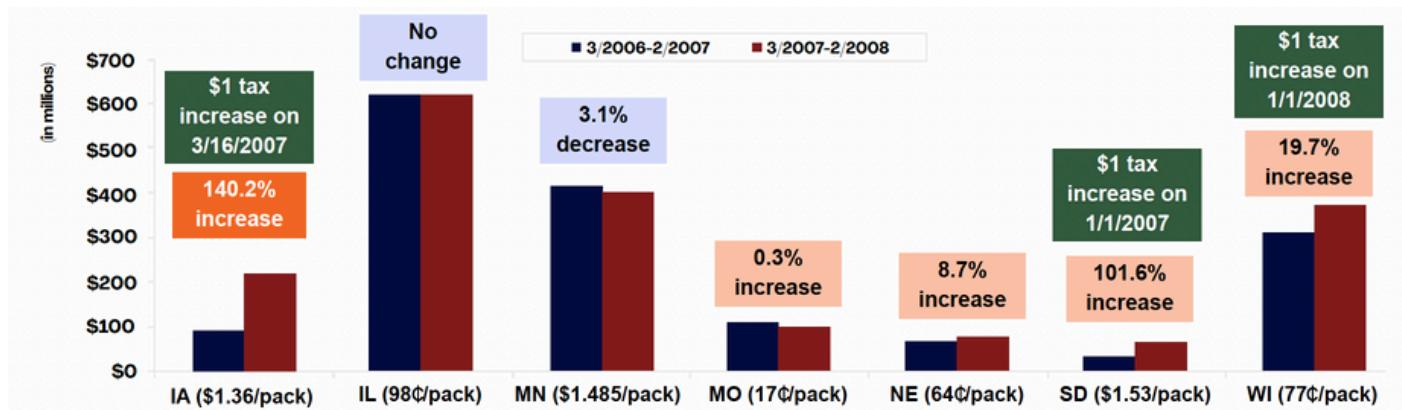


The Myths about Cross-Border Sales

Tobacco retailers argue that increasing tobacco excise taxes will drive people to go across state lines, resulting in lower revenues and lost business.

Decades of data tells us that any changes in cross-border sales are temporary and **the state that raises the tax is the one that benefits the most**, gaining more revenue and more healthcare cost savings than its neighboring states.

The chart below shows cigarette tax revenue in Iowa and its neighboring states in the 12 months before and after the \$1 tax increase on March 16, 2007. While Missouri and Nebraska saw small revenue increases, Iowa gained **over 140% more revenue than before**.



In 2018, Oklahoma increased its cigarette tax by \$1.00 per pack (to \$2.03). OK's tax **revenue increased by 46.7%** while cigarette pack **sales declined by 21.8%**. Meanwhile, revenues in all its neighboring states declined.

An increase in the cigarette tax, as well as taxing vapes and pouches will save the lives of Iowans, reduce Medicaid costs, and bring in more state revenue.

NOW IS THE TIME TO ACT.