The Use of Cigarette Taxes to Discourage Smoking

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A large number of states and the federal government have either recently enacted or are currently considering substantial cigarette tax increases. Politicians often justify these tax increases as a way to discourage smoking, particularly among children. Additionally, some economists have recently supported the paternalistic use of cigarette taxes. They argue that many people smoke because of self-control problems, and these smokers would be better off if the government encouraged them to quit via cigarette tax increases.

This article argues that policy makers should reconsider the use of cigarette taxes as a paternalistic device. Even if cigarette taxes do help certain smokers who have self-control problems, they harm many other smokers, including many low-income smokers. A large percentage of low-income individuals have continued to smoke despite high taxes. Because the poor smoke at a much higher rate than the rich, cigarette taxes are very regressive. Additionally, because adults smoke the vast majority of cigarettes, taxes are a blunt instrument for reducing adolescent smoking. The article suggests that those concerned with reducing smoking should consider less regressive alternatives to cigarette tax increases. These include aggressively enforcing youth access restrictions.