



# National Taxpayers United of Illinois

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## **NTUI RELEASES OPEN LETTER TO ILLINOIS CONGRESSIONAL DELEGATION OPPOSING INCREASE IN FEDERAL CIGARETTE EXCISE TAX.**

Dear Illinois Representative in Congress,

As a taxpayer in Illinois, I urge you to oppose any increase in federal cigarette excise taxes. Raising federal cigarette excise tax rates from \$.31 per pack to \$1.00 per pack, a 222% increase, will burden the state of Illinois' budget, the Illinois economy, and many Illinois families.

Chicago has the highest total cigarette tax in the US, followed by Evanston, Cicero, and New York City. Then the rest of Cook County comes in tied at 5<sup>th</sup>. Piling on even higher taxes to these consumers, and the small businesses that serve them, is not in the best interests of the people of your home state or district.

These unnecessary, high tax rates in Cook County and Chicago have largely resulted in a loss of revenue to the state of Illinois. That hole in state revenue contributes to the well publicized state budget problems.

In FY 2004, the state of Illinois collected \$760 million in cigarette and tobacco taxes. In FY 2006, after Cook County and Chicago cigarette taxes increased, the state only collected \$640 million, a reduction of \$120 million the state of Illinois had to make up from taxes on people that don't use tobacco products.

You can clearly see from the state of Illinois revenue example, cigarette and tobacco related taxes are not a stable, reliable, or expanding source of revenue. When state revenues declined, state government was forced to look to your constituents to make up for those revenues. The same thing will happen at the federal level in a matter of no time and the S-CHIP program will be looking for new revenue.

By supporting any increase in federal cigarette taxes you might as well be voting for a tax increase on all your district residents, not just the tobacco consumers.

Most Illinois taxpayers are already paying the highest cigarette taxes in the US. They deserve better than to have their representatives in Washington, D.C. gouging them yet again with even higher cigarette taxes.

Once again I strongly urge you to oppose any increase in the federal cigarette excise tax. Illinois voters are already paying the highest taxes in the US on tobacco products. They need relief. Not even higher taxes.

Sincerely,

Jim Tobin, President