



For Immediate Release – March 29, 2006
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Cal-Tax Opposes Tobacco Tax Initiative

The California Taxpayers' Association Board of Directors has voted unanimously to oppose the tobacco tax initiative now in circulation.

The initiative, proposed for the November ballot, would increase the state excise tax on tobacco products, boosting the tax on a pack of cigarettes from 87 cents to \$2.60.

Cal-Tax President Larry McCarthy said, "The extreme level of taxation contained in this initiative will make California more vulnerable to black market sales and cigarette tax fraud. The initiative is an invitation to organized criminal elements to bootleg cigarettes."

McCarthy also pointed out that the initiative, while earmarking more money for the health industry, does nothing to address mismanagement that plagues public health spending in California. "Taxpayers in California have made a massive financial commitment to public health care, a \$40 billion Medi-Cal system. This initiative does not confront the underlying mismanagement, including fraud and waste, of billions of taxpayer dollars intended to pay for the care of the poor and elderly."

The Cal-Tax board took the position at its March 24 meeting.