



PROPOSITION 56

"The California Healthcare, Research & Prevention Tobacco Tax Act of 2016"

To help reduce tobacco use (including e-cigarettes) among California's youth, to generate billions of dollars in funding for prevention and healthcare programs and to generate tens of millions of dollars in Proposition 98 revenue, our board supports Proposition 56.

Key Points on Proposition 56:

- Tobacco use remains a major health concern for California's youth, and has compounded in recent years with the rise in popularity of electronic cigarettes; known as "e-cigarettes" or "vaping."
- Research from the Center for Disease Control shows that the use of e-cigarettes tripled nationally among high school students from 2013 to 2014.
- Many young people are aware of the dangers of traditional cigarettes and tobacco products, but it is critical that they *also* understand the dangers associated with e-cigarettes and vaping.
- Adequate funding for education and prevention programs is essential to curbing tobacco use among young adults.
- Proposition 56 would impose a \$2 per-pack excise tax on cigarettes, levying a total per-pack tax of \$2.87, with a tax on e-cigarettes equivalent to \$3.37 per-pack.
- This measure could raise as much as \$1.5 billion in tax revenue, with as much as another \$1 billion in federal matching funds.
- Of this revenue, the California Department of Education could receive \$20-30 million for tobacco education and prevention programs. Medi-Cal services and the Department of Public Health would also benefit from this tax increase.
- Opponents claim that Proposition 56 "cheats" public schools and was "written to bypass California's Prop. 98 education funding requirement."
- Proposition 56 is an **excise tax**; revenue is designated for specific purposes and is not part of General Fund revenue; Propositions 99 (1988) and 10 (1998) were similar excise taxes.
- Proposition 56 does **not** dodge the Proposition 98 funding guarantee.
- Proposition 56 does in fact **increase** the Proposition 98 guarantee by tens of millions of dollars, as higher excise tax revenue will result in higher sales tax revenue.
- Proper prevention and education on the dangers of tobacco can save lives, improve the health of our youth and save the state billions of dollars in health care costs down the road.
- This measure is supported by the **California School Boards Association.**