



AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

Taxpayer Group MAY RATE a Vote For
Graham Amendment 2558
to Senate S-CHIP Bill

The Senate S-CHIP reauthorization and expansion bill is not only the first step to government control of health care, but also includes a major tax increase. **By raising the tobacco tax from \$0.39 per pack to \$1.00 per pack for cigarettes and a proportional amount on other tobacco products, the Senate S-CHIP bill creates a lose-lose situation.**

A higher tax rate will punish a segment of Americans for using a legal product and will hurt small businesses which often lean on tobacco sales to stay in business. In order to avoid paying higher and higher tobacco taxes, consumers will turn to the Internet or black market sources for tobacco products.

Funding an expansion of children's health insurance on an already-declining revenue stream that the legislation seeks to further decrease is dangerous policy. Senator Graham's amendment 2558 would sunset the tobacco tax increase in 2012. **Although the GOP alternative S-CHIP bill shows the program can be reauthorized without raising taxes, amendment 2558 is a necessary step against higher taxes over the long run.**

ATR MAY RATE A VOTE FOR THE
AMENDMENT 2558 TO THE SENATE
S-CHIP BILL

VOTE "YES" ON GRAHAM AMENDMENT 2558