

Smith proposes 61-cent increase in tobacco tax

by Bend_Weekly_News_Sources

Washington, DC - Senator Gordon H. Smith (R-Oregon) announced today that he will offer an amendment to the Fiscal Year 2008 Budget to raise the federal tobacco tax to fund the State Children's Health Insurance Plan (SCHIP). The Smith amendment will allow for up to a 61 cent increase in the tobacco tax (totaling \$1.00) with revenue directed at the reauthorization and expansion of SCHIP.

“While I support the budget's underlying language on SCHIP reauthorization, I am concerned it is meaningless unless the Senate goes on record identifying viable funding options,” said Senator Smith. “That is why I am offering this amendment that will dedicate revenues generated by an increase to the tobacco products excise tax to SCHIP reauthorization. This proposal will fulfill the promise that SCHIP holds to deliver health care coverage to American's children. I am pleased to have the support of numerous national and state children and health care advocates and providers. I sincerely hope that my colleagues will put this support behind this proposal as well.”

The revenue source would allow for:

All those who are enrolled in the program continue to receive coverage; Cover those currently eligible, but not enrolled; Expand coverage to all pregnant women and children up to 200 percent of the federal poverty level (\$27,380 for a family of two); If additional funds are available, Senator Smith will work to expand coverage for pregnant women and children up to 300 percent of the federal poverty level (\$41,070 for a family of two).

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