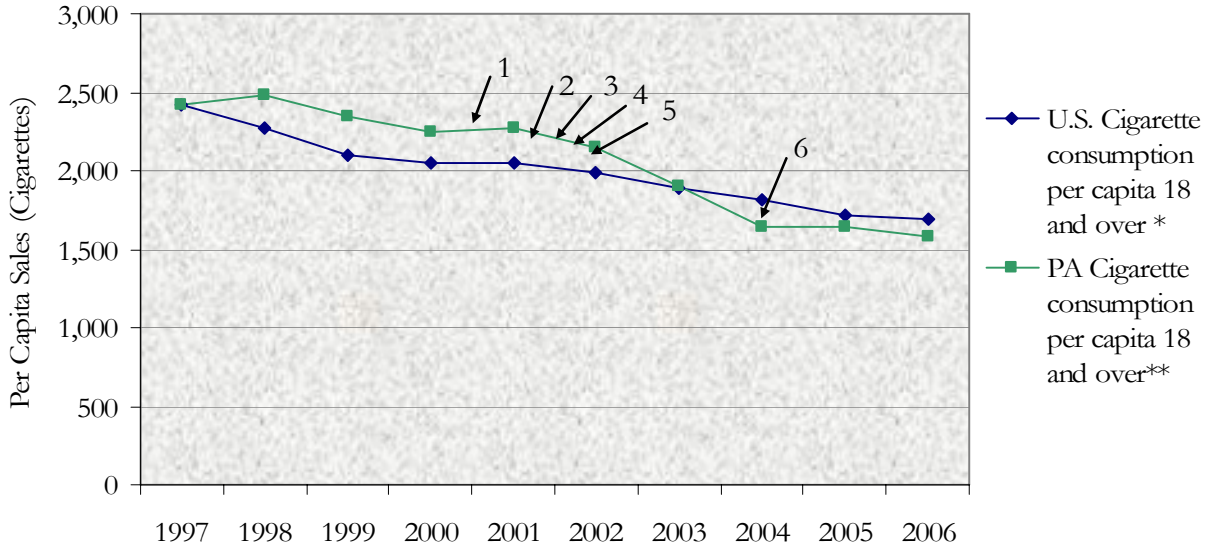
1. Cigarette Sales

Cigarette sales are falling in the United States as well as in Pennsylvania. The two charts on the next page show that downward trend. Chart 1-1 illustrates per capita purchases of cigarettes using population 18 years and older. The per capita sales of cigarettes in the United States started to fall below that of Pennsylvania in 1998. Pennsylvania sales dropped dramatically between 2001 and 2003 when Tobacco Settlement Act funds were distributed to counties for tobacco control and cessation programs, and after a significant increase in cigarette excise tax. In 2004, Pennsylvania per capita cigarette sales fell substantially below that of the nation, and have since remained lower.

Table 1-2 shows the total packs of cigarettes sold in Pennsylvania between 1997 and 2006, using stamp sales from the Pennsylvania Department of Revenue. Pennsylvania smokers purchased 31 percent fewer packs of cigarettes in 2006 compared to 1997. The population growth during that nine-year period accounts for an even greater drop in the per capita purchase of cigarettes (using Pennsylvania population aged 18 and over) of 35 percent. Between 1997 and 2001, per capita sales of cigarettes declined six percent. Between 2002 and 2006, when counties began offering tobacco control and prevention programs, per capita sales fell approximately 26 percent. Despite the decline in purchases of cigarettes, the amount of cigarette excise taxes collected increased due to increases in the tax rate.

***Chart 1-1*. Trends in Annual Per Capita Sales of Cigarettes Pennsylvania and the United States, 1997-2006**



Related Events Noted on Chart:

1. June 2001: Enactment of Act 77 of 2001, the Tobacco Settlement Act, established a special fund and account for money received by Pennsylvania from the Master Settlement Agreement with tobacco manufacturers
2. January 2002: $0.69 per pack cigarette excise tax increase, from $0.31 to $1.00
3. May 2002: 67 counties receive tobacco funds to establish comprehensive tobacco programs
4. June 2002: Launch of Pennsylvania Free Quitline (1-800-QUIT-NOW)
5. July 2002: Act 112 of 2002, amended Youth Access to Tobacco law
6. July 2004: $0.35 per pack cigarette excise tax increase, from $1.00 to $1.35

Sources:

* PA per capita are data from PA Department of Revenue stamp sales for each year, divided by Census Bureau population estimates for Pennsylvanians 18 and over.

**U.S. per capita data are from U.S. Department of Agriculture, Economic Research Service; The Economics of Food, Farming, Natural Resources, and Rural America. The data are provided based on per capita, using adults aged 18 and over, and in terms of total cigarettes sold. This can be found at http://www.ers.usda.gov/Briefing/Tobacco/Data/table07.pdf.

***Table 1-2*. Cigarette Sales, Pennsylvania, Change From 1997 to 2006**

	State Tax-paid Cigarette Sales	Annual PA Per Capita Cigarette Sales	Annual Cigarette Excise Tax Collected
1997	1.110 billion packs	2,420 cigarettes	$333 million
2001	1.064 billion packs	2,269 cigarettes	$311 million
Change from 1997 to 2001	46 million fewer packs sold	151 fewer cigarettes, per capita	$22 million decrease
2002	1.011 billion packs	2,144 cigarettes	$600 million
2006	761 million packs	1,584 cigarettes	$1.015 billion
Change from 2002 to 2006	250 million fewer packs sold	560 fewer cigarettes, per capita	$415 million increase

Source: PA per capita are data from PA Department of Revenue stamp sales for each year, divided by Census Bureau population estimates for Pennsylvanians 18 and over.