

Congress of the United States

Washington, DC 20510

May 17, 2021

Mr. Brian Deese
Director, National Economic Council
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Ambassador Susan Rice
Director, Domestic Policy Council
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Director Deese and Ambassador Rice:

We commend President Biden for his bold leadership outlined in the American Jobs Plan and American Families Plan—packages that we believe will ensure United States competitiveness in the 21st Century, drive our economy, and uplift families. We write to highlight a bicameral priority that supports the aims of your Build Back Better agenda in two ways: protecting the health of families and generating revenue for infrastructure investments.

Last month, we introduced the *Tobacco Tax Equity Act (S. 1314, H.R. 2786)*, which would strengthen and improve the public health impact of tobacco taxes by closing loopholes exploited by the tobacco industry, establishing a new tax on e-cigarettes, and increasing the tobacco tax rate for the first time in more than a decade. This policy would generate tens of billions of dollars that could be used to fund the vital programs outlined in the American Jobs and Families Plans. Further, such a policy change would reduce health care spending and safeguard millions of Americans, especially youth, from tobacco addiction, illness, and death.

According to the Centers for Disease Control and Prevention and U.S. Surgeon General, increasing the price of tobacco products is the single most effective way to reduce tobacco use. Tobacco is the leading cause of preventable death in America, annually accounting for 480,000 deaths and costing federal health care programs approximately \$100 billion each year.

Our children stand to gain most from this policy. E-cigarettes—the most commonly used tobacco product among youth—are not taxed at the federal level, despite now being subject to the full regulatory framework of the Food and Drug Administration. With nearly four million youth currently vaping, including one in five high school students, we must follow the lead of 29 states and Washington, DC to utilize this public health prevention tool.

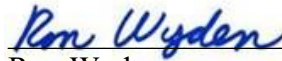
The last time the cigarette tax rate was adjusted was in 2009, in order to expand health care access through the Children's Health Insurance Program—resulting in at least 220,000 fewer youth smokers, among other immediate public health gains. That law altered the tax code for some cigars and tobacco products, but not all—leading to an explosion of under-taxed products and lost federal revenue, according to the Government Accountability Office. At the same time, youth use of under-taxed tobacco products have trended at a comparable rate to cigarettes, with cigars being the second most common products used by high school students.

The policy of raising and rationalizing taxes on tobacco and nicotine products is endorsed by top public health and medical organizations, and presents a win-win opportunity for your agenda. We urge your support for this policy within legislative negotiations. If you have any questions or would like to further discuss this policy, please contact Max Kanner (Max_Kanner@durbin.senate.gov) and Jessica McNiece (Jessica_McNiece@durbin.senate.gov) with Senator Durbin's staff.

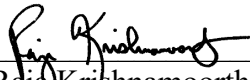
Sincerely,



Richard J. Durbin
United States Senator



Ron Wyden
United States Senator



Raja Krishnamoorthi
United States Representative



Rosa DeLauro
United States Representative