Republican Motion #8

BLOWING SMOKE ON PRESIDENT BIDEN’S TAX PLEDGE

Offered by Representative Ben Cline (VA-06)

Mr. Cline moves that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill make in order an amendment to ensure that no American earning less than $400,000 will shoulder the burden of the tobacco tax.

Background

(1) According to the nonpartisan Joint Committee on Taxation (JCT), 77 percent of the regressive tobacco tax hike falls on Americans who make less than $100,000 per year.
   a. 26.5 percent of adults who make less than $25,000 per year smoke, compared to only 9.3 percent of Americans who make more than $75,000 per year.
   b. According to the Tax Foundation, pack-a-day smokers currently pay about $1,435 annually in taxes on cigarettes. This proposal would increase that total to $1,823 per year—equal to 7.3 percent of all gross income for a taxpayer earning $25,000 per year.
   c. In high-tax states such as New York, the lowest 10 percent of income earners would pay 20 percent of their income on tobacco excise taxes.
   d. In Nevada, some of the poorest would pay a combined 12.5 percent of their income on cigarette taxes as a result of this tax hike.
   e. According to the Centers for Disease Control and Prevention, over 30 percent of cigarette users are below the poverty level.

(2) President Biden has repeatedly pledged that he would not raise taxes on individuals making less than $400,000 per year.