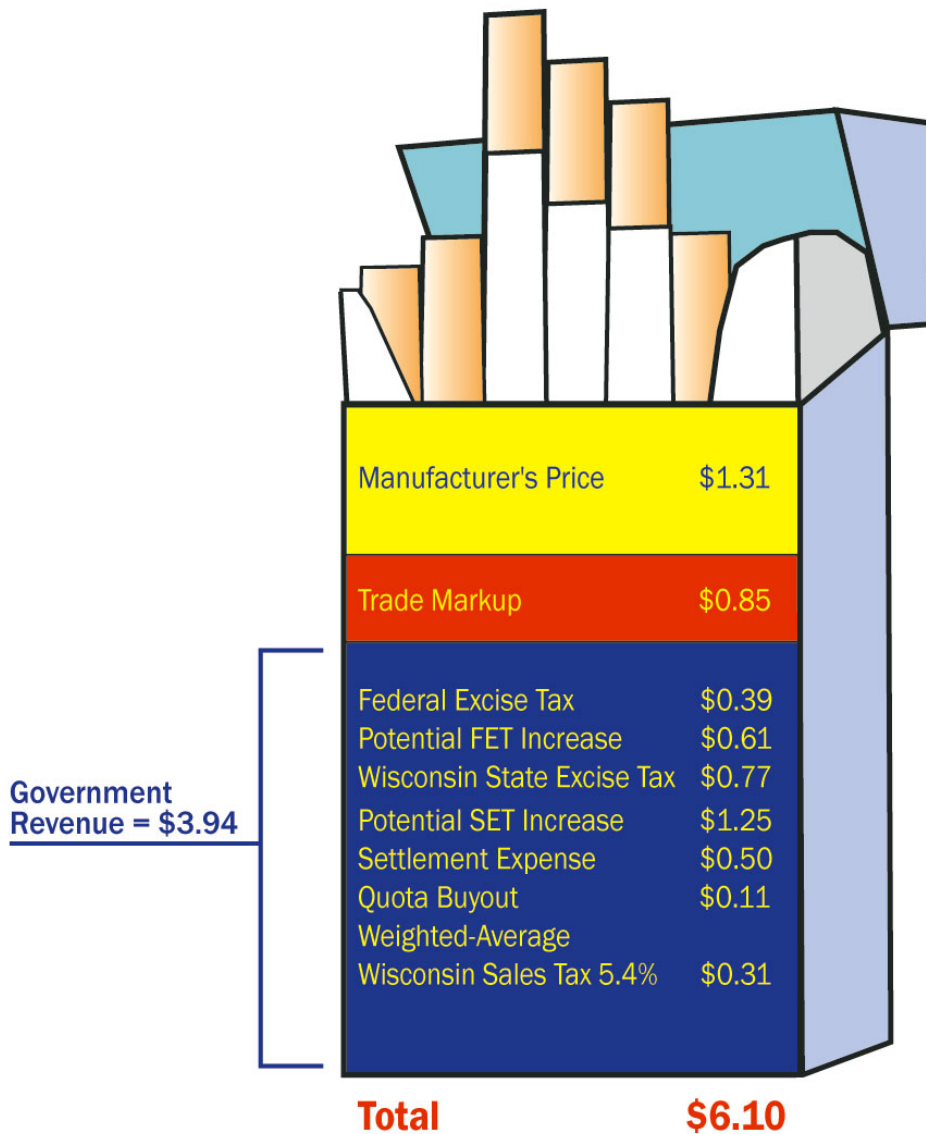


ENOUGH IS ENOUGH Even for Smokers...

A Pack of Cigarettes in Wisconsin Could Cost \$6.10!



This graphic illustrates the estimated price¹ of a pack of cigarettes in Wisconsin should the proposed \$1.25 Wisconsin excise tax and the proposed \$0.61 federal excise tax be enacted.² The total estimated government revenue would represent **65%** of the total cost!

¹ Manufacturer's price is the list price of a pack of Marlboro® cigarettes to wholesale less off-invoice allowance and applicable terms as of August 24, 2007, excluding settlement agreement and federal excise tax payments. The existing excise taxes can be found in, Bill Orzechowski & Rob Walker, *The Tax Burden on Tobacco*, vol. 41 (February 2007); funded by PM USA and other tobacco companies. The estimated settlement cost per pack is \$0.50 from *A Smoke Ring? That'll Cost You \$280 billion; Big Tobacco and the Law*, *The Economist*, (September 18, 2004). The estimated quota buyout payment is from PM USA internal data. The estimated trade markup combines the retail and wholesale markup and is derived from: Thomas Capehart, *The Changing Tobacco User's Dollar*, US Department of Agriculture, *TBS-257-01*, (October 2004).

² There is a proposal in Wisconsin, SB 40, to increase the cigarette excise tax by \$1.25. There is a federal bill, HR 976, which would increase the federal cigarette excise tax by \$0.61.

