

have to pay the utility bills on a monthly basis because we expanded our sales tax base to cover that area, and we balanced the budget on the backs of the folk buying at farm auctions because we included, we expanded our sales tax base to include those areas. We passed during the regular '85 session a whole host of tax bills, each of which would affect a different constituency in our state, but the thing we did not pass is a cigarette tax bill that was effective and that would address the smokers. And now I would guess that in a sense we are looking at a different portion of our budget, and budgets are organic things. They evolve, and they grow, and they shrink, and they change, and the like. We are now addressing one discreet portion of our budget but we are not simply saying that we expect the smokers in our state as the only community to take us out of our difficulty because we have asked it of a lot of different communities over the long pull. So I have no difficulty in my own mind in simply addressing this one tax issue at this time. It is one that if we didn't address today, we wouldn't have addressed last year, or we will address next year. Secondly, Senator DeCamp suggests that we look at this bill solely as a revenue measure and not for the social issues, and I am inclined to agree with that, but I will call to call your attention one small point that was raised very effectively with us in the Revenue Committee and that small point is that the teenage consumer of cigarettes adjusts his or her consumption to fit his or her pocketbook and the price of a cigarette, and the higher the prices of the cigarettes, the less teenage consumption exists, and the less teenage consumption that exists, the fewer teenagers become addicted and habituated in the use of cigarettes, and that is a good thing. And that is a good thing in the last analysis. So the higher price will have a salutary effect upon teenage consumption of cigarettes. And finally I want to deal with Senator Rupp's questions about bootlegging and smuggling. I referred earlier to the March 1985 study of the...or the May 1985 study of the American...no, it is March, of the American Commission Intergovernmental Relations and I will just give you some of the quick highlights. "Findings and Recommendations. The major findings of this study are as follows: Cigarette smuggling has declined dramatically since the 1970s, particularly large scale organized smuggling. They estimate bootlegging today at about 5 percent. Ten years ago it was 10 percent. They indicate the following: An estimated 70 percent of the revenue lost by state and local governments results from tax