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Kulongoski wants tobacco tax hike to pay health costs

By BRAD CAIN
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SALEM — Gov. Ted Kulongoski says he'll ask the 2007 Legislature to approve a hefty cigarette tax increase to extend health coverage to uninsured children in Oregon — a move that could put him on a collision course with Oregon House Republicans.

The Democratic governor proposes boosting the state cigarette tax by 84 cents a pack — enough, he said, to provide health coverage to all 117,000 uninsured children in Oregon and to expand school-based health and dental programs throughout the state.

"Every day we put off solving this problem, thousands of kids across Oregon are more likely to struggle in school, and miss out on opportunities to play, learn and thrive," he said Monday.

Under Kulongoski's plan, Oregon's cigarette tax would jump from \$1.18 to \$2.02 per pack, which would generate as much as \$170 million for children's health programs in the next two years, the gover-

nor's office said.

In the 2005 legislative session, Republican opposition to new taxes derailed a similar proposal by a bipartisan group of lawmakers who wanted to increase the cigarette tax by 60 cents a pack for health programs.

The head of the House Revenue Committee, state Rep. Tom Butler, said Monday he was "shocked" that Kulongoski is proposing an even larger cigarette tax hike.

The Ontario Republican also said he thinks such a large increase in the cigarette tax would prompt many smokers to buy cigarettes over the Internet to try to avoid the new tax.

"It's not a reliable source of income," Butler said of the proposed tax increase.

Kulongoski's proposed cigarette tax hike immediately became fodder in the governor's race.

Republican Ron Saxton's campaign manager, Félix Schein, derided Kulongoski's cigarette tax as "just the lat-

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