

TPO 53 Listening Script

Listening

Now listen to part of a lecture on the topic you just read about.

Each of the arguments about the benefits of cigarette and other such taxes can be challenged.

First, these taxes don't necessarily lead to healthier behavior. For instance, high cigarette taxes have led some smokers to buy cheaper lower quality cigarettes. Such cigarettes typically contain even more harmful substances than better quality cigarettes and present even greater health risks. Similarly, imagine how some consumers might react to higher taxes on unhealthy foods. They might continue buying the unhealthy foods they prefer even if they're more expensive. And as a result, have less money left to spend on healthy foods. That certainly wouldn't benefit their health.

Second, there are different ways of thinking about fairness. It might seem fair for people indulging in unhealthy behaviors to pay for the consequences of those behaviors through high taxes. But some people would argue that these taxes are unfair, because they don't take into account people's incomes. If a high-earning person and a lower-earning person are addicted to cigarettes and each smokes a pack of cigarettes a day. Paying the tax would be a great expense for the low earner relative to his or her income. The same argument applies to the food taxes. So many people believe that these taxes are not fair because they create a much greater burden for those with smaller incomes than for those with higher incomes.

Finally, the fact the governments can use this tax revenue for various projects has the downside. This income represents millions and millions of dollars and governments become dependent on it and don't want to lose it. In consequence, the governments might not be forceful enough pursuing policies and implementing laws that might eliminate unhealthy habits altogether. For example, they are unlikely to adopt radical measure such as not allowing smoking in outdoor public areas such as parks or even banning smoking in all outdoor areas, public or private, because they don't want to lose this income.