

# State Government Alert: Kentucky Defies Big Tobacco Lobbyists' Pressure by Seeking A Flat Tax on Cigarette Sales

DALLAS, TX – April 26 (SEND2PRESS NEWSWIRE) – StatesOnTheTake.com announced today that Kentucky State Government officials could withdraw from the Master Settlement Agreement (“MSA”), despite fierce opposition from out-of-state, Big Tobacco lobbyists. The MSA was the original “Stealth Cartel,” created under the guise of a “settlement” between Big Tobacco and the 46 state signatories.

Kentuckians and local politicians are united in opposing how the Bluegrass State’s cigarette revenues are unilaterally usurped by the Master Settlement Agreement. (MSA). Kentucky government officials continue to advance a flat tax initiative that is more representative of Kentucky cigarette sales than the MSA dictates.

As StatesOnTheTake.com founder S. George Alfonso revealed, “The MSA-spawned Stealth Cartel partnership between state government and Big Tobacco continues to tilt the free market playing field in ways most beneficial to them. In other words, Citizen Consumers and other independent businesses continue to be shortchanged.”

The MSA requires the Commonwealth’s cigarette revenue be transferred to other larger, more populated signatory states of the MSA, like New York State. Under the MSA, tobacco companies pay about \$4.00 per carton into the MSA settlement fund, which is then allocated back to the participating 46 states.

Despite the actual number of packs sold in Kentucky being close to the number sold in New York, Kentucky receives only \$1.58 for each \$4.00 per carton payment (a net loss of \$2.42). Conversely, New York receives \$12.21 for each \$4.00 per carton payment (a net gain of \$8.21) or a 305% return.

The MSA, for these reasons and others, continues to be the focus of substantial ongoing litigation, everything from Constitutional challenges via the Competitive Enterprise Institute to private individual lawsuits. Such shaky legal footing casts considerable doubt upon future payments from the MSA agreement (whether negative or surplus payments) especially in States like Kentucky that prefer a flat tax instead.

## **The Stealth Cartel says NO to the Commonwealth Keeping its own Cigarette Revenues:**

The number one Stealth Cartel – Big Tobacco and their Comrades in Collusion within State Government, oppose the Commonwealth of Kentucky keeping the money its due from cigarette sales.

Well-financed Big Tobacco lobbyists are pressuring the Commonwealth's legislators not to level the economic playing field through a flat tax. A flat tax would help Kentucky keep additional millions of dollars from the cigarette revenue generated in the Bluegrass State.

Big Tobacco's army of lawyers are already threatening suits against the Commonwealth, claiming that the proposed flat tax would result in double-taxation payments under the MSA, an outcome that Judge Roger Crittenden has recently addressed as not applicable or correct under the MSA as a story in Tobacco Industry News recently reported.

### **Kentucky: Take Back Your Revenues – and Your State:**

StatesOnTheTake.com wants to expose the threat our free market economy faces from Stealth Cartels such as the MSA, which often operate "under the media radar," on a state-by-state political level.

As S. George Alfonso revealed, "The Citizen Consumers of Kentucky are at a crossroads: that can sit and do nothing or they can rise up and take back their state from Big Tobacco lobbyists and the Stealth Cartel they represent. The logical outcome is to change the law to recover and keep all of their rightfully earned cigarette revenue."

StatesOnTheTake.com invites the Citizen Consumers of the Commonwealth of Kentucky to sign the petition targeting the Commonwealth's representatives. Add your voice to other Kentuckians and demand Kentucky keep Kentucky's money, rather than continuing to unilaterally fork over millions each year to New York and other states, under the guise and supervision of Big Tobacco and their lobbyists.

For more information on Kentucky dropping out of the MSA and to sign the petition that will be sent to all Commonwealth representatives, visit the political watchdog site or call (800) 598-7181.

For additional information about this news release, contact: S. George Alfonso, Founder, StatesOnTheTake.com, (800) 598-7181, info @ StatesOnTheTake.com.

News issued by: StatesOnTheTake.com

# # #

Original Story ID: (1577) :: 2006-04-0426-001

Original Keywords: StatesOnTheTake.com, S. George Alfonso, Big Tobacco lobbyists, MSA, Kentucky, Master Settlement Agreement, Kentucky State Government, cigarette flat tax, Texad, KY, cigarette revenue StatesOnTheTake.com