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As Americans Kick the Smoking and Drinking Habit, Sin Tax Revenue Drops.

Taxes on marijuana and vaping could replace the shrinking revenue, but analysts caution against setting new taxes without considering how they will impact behavior.

With people drinking and smoking less, governments are getting less money from so-called sin taxes. But the good news for states and localities is that more people are using cannabis and vaping, creating new ways to raise money.

“As the tax base shrinks on traditional excise taxes,” said a [new report](#) by the center-right Tax Foundation, “more and more products will be targeted for excise taxes.”

But before going all in on a new tax, policymakers must consider how taxes will impact behavior, said the report’s author, Adam Hoffer, the foundation’s director of excise tax policy.

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ROUTE FIFTY

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