

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the **2007** calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

C Name of organization: **ACTION ON SMOKING AND HEALTH**
 Number and street (or P.O. box if mail is not delivered to street address): **2013 H STREET N.W.**
 City or town, state or country, and ZIP + 4: **WASHINGTON, DC 20006**

D Employer identification number: **13-2603590**

E Telephone number: **202-659-4310**

F Accounting method: Cash Accrual
 Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: ▶ **WWW.ASH.ORG**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **2,934,536.**

H and **I** are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	2,782,913.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash \$ 2,772,826. noncash \$ 10,087.)	1e		2,782,913.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		69,304.
	5	Dividends and interest from securities	5		82,319.
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
6c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe ▶)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
8b	Less: cost or other basis and sales expenses	8a			
8c	Gain or (loss) (attach schedule)	8b			
8d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
9a	Gross revenue (not including \$ of contributions reported on line 1b)	9a			
9b	Less: direct expenses other than fundraising expenses	9b			
9c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
10b	Less: cost of goods sold	10b			
10c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		2,934,536.	
Expenses	13	Program services (from line 44, column (B))	13	2,286,256.	
	14	Management and general (from line 44, column (C))	14	170,719.	
	15	Fundraising (from line 44, column (D))	15	64,234.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17		2,521,209.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	413,327.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	5,372,322.	
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1	20		75,315.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		5,860,964.

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LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2007)

G179

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>318108</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	318,108.	318,108.	STATEMENT 2	
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	661,459.	599,156.	39,701.	22,602.
25b Compensation of former officers, directors, key employees, etc listed in Part V-B	0.	0.	0.	0.
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	137,730.	125,469.	7,663.	4,598.
27 Pension plan contributions not included on lines 25a, b, and c	955.	829.	88.	38.
28 Employee benefits not included on lines 25a - 27	37,469.	32,532.	3,446.	1,491.
29 Payroll taxes	29,302.	27,749.	733.	820.
30 Professional fundraising fees				
31 Accounting fees	80,794.	58,666.	17,567.	4,561.
32 Legal fees				
33 Supplies	31,407.	25,905.	3,932.	1,570.
34 Telephone	43,816.	26,606.	15,887.	1,323.
35 Postage and shipping	34,040.	25,919.	4,682.	3,439.
36 Occupancy	97,599.	81,549.	11,170.	4,880.
37 Equipment rental and maintenance	23,107.	19,641.	2,311.	1,155.
38 Printing and publications	61,707.	54,540.	1,239.	5,928.
39 Travel	266,377.	252,355.	6,452.	7,570.
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	12,354.	10,135.	1,601.	618.
43 Other expenses not covered above (itemize):				
a INSURANCE	34,317.	30,885.	1,716.	1,716.
b DUES AND SUBSCRIPTIONS	14,984.	10,829.	3,158.	997.
c CONSULTANTS	405,469.	380,243.	25,226.	
d MISCELLANEOUS	18,551.	14,642.	2,981.	928.
e EDUCATIONAL PROGRAMS	211,664.	190,498.	21,166.	
f _____				
g _____				
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,521,209.	2,286,256.	170,719.	64,234.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 95,747. ; (ii) the amount allocated to Program services \$ 80,459. ;
 (iii) the amount allocated to Management and general \$ 5,921. , and (iv) the amount allocated to Fundraising \$ 9,367.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶

TO DEFEND THE RIGHTS OF THE NONSMOKING MAJORITY

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)

a PUBLIC EDUCATION TO MAKE THE PUBLIC AWARE OF THE DANGER OF SMOKING AND SECOND HAND SMOKE, AND TO MAKE THEM AWARE OF THEIR RIGHTS AND LEGAL PROTECTIONS THROUGH THE PUBLIC MEDIA, NEWSLETTER, AND DIRECT MAIL.

(Grants and allocations \$ 220,538.) If this amount includes foreign grants, check here ▶

1,744,554.

b LEGAL ACTION TO DEFEND THE RIGHTS OF NONSMOKERS AND TO FIGHT AGAINST THE MANY PROBLEMS THAT SMOKING CREATES.

(Grants and allocations \$ 97,570.) If this amount includes foreign grants, check here ▶

541,702.

c (Grants and allocations \$) If this amount includes foreign grants, check here ▶

d (Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶ 2,286,256.

Form 990 (2007)

Part IV Balance Sheets (See the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	585,679.	45	144,936.
	46 Savings and temporary cash investments	1,178,841.	46	1,958,705.
	47 a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	5,581.	53	32,212.
	54 a Investments - publicly-traded securities STMT 4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	3,713,183.	54a	4,063,219.
b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b		
55 a Investments - land, buildings, and equipment: basis	55a			
b Less: accumulated depreciation	55b	55c		
56 Investments - other	0.	56	0.	
57 a Land, buildings, and equipment: basis	57a 246,353.			
b Less: accumulated depreciation STMT 3	57b 200,847.	31,574.	57c 45,506.	
58 Other assets, including program-related investments (describe <input type="checkbox"/>)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	5,514,858.	59	6,244,578.	
Liabilities	60 Accounts payable and accrued expenses	142,536.	60	383,614.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities. Add lines 60 through 65	142,536.	66	383,614.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,633,284.	67	2,221,589.
	68 Temporarily restricted	550,000.	68	1,101,523.
	69 Permanently restricted	3,189,038.	69	2,537,852.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	5,372,322.	73	5,860,964.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	5,514,858.	74	6,244,578.	

Part VI Other Information (continued)

Form 990 (2007) Part VI Other Information (continued) table with columns for question, Yes, and No. Includes questions 82a through 91b regarding donated services, lobbying, and foreign accounts.

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c N/A X

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93-104 Subtotal and 105 Total.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here 10/10/2008
 Signature of officer _____ Date
 John F. Banzhaf III Executive Director
 Type or print name and title

Paid Preparer's Use Only
 Preparer's signature James Ballman Date 10/9/08 Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP + 4 CLIFTON GUNDERSON LLP
11710 BELTSVILLE DRIVE, SUITE 300
CALVERTON, MARYLAND 20705 EIN
 Phone no 301-931-2050

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

ACTION ON SMOKING AND HEALTH

Employer identification number

13 2603590

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	▶ 0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	▶ 0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services	▶ 0	

Part III Statements About Activities (See page 2 of the instructions)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ <u>7,888.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) VI-A, LINE 38B Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)		X
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶	N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶	0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶	0.	

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,341,917.	1,162,222.	917,421.	969,302.	4,390,862.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	186,501.	85,533.	90,928.	169,091.	532,053.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.			SEE STATEMENT 7 3,544.	4,880.	8,424.
23 Total of lines 15 through 22	1,528,418.	1,247,755.	1,011,893.	1,143,273.	4,931,339.
24 Line 23 minus line 17	1,528,418.	1,247,755.	1,011,893.	1,143,273.	4,931,339.
25 Enter 1% of line 23	15,284.	12,478.	10,119.	11,433.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 98,627.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 2,237,746.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 4,931,339.
d Add Amounts from column (e) for lines 18 532,053. 19 2,237,746. 22 8,424. 26b					26d 2,778,223.
e Public support (line 26c minus line 26d total)					26e 2,153,116.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 43.6619%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year	(2006) N/A	(2005) N/A	(2004) N/A	(2003) N/A	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2006) N/A	(2005) N/A	(2004) N/A	(2003) N/A	
c Add Amounts from column (e) for lines 15 16 17 20 21					27c N/A
d Add Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

NONE

Part V Private School Questionnaire (See page 9 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990 or 990-EZ) 2007

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions)

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	7,888.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.
38	Total lobbying expenditures (add lines 36 and 37)	38	7,888.
39	Other exempt purpose expenditures	39	2,513,321.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	2,521,209.
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	276,060.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	69,015.
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0.
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	276,060.	196,128.	0.	0.	472,188.
46					708,282.
47	7,888.	20,160.	0.	0.	28,048.
48	69,015.	49,032.	0.	0.	118,047.
49					177,071.
50	7,888.	20,160.	0.	0.	28,048.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
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DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	75,315.
TOTAL TO FORM 990, PART I, LINE 20	75,315.

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT	2
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CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
EDUCATIONAL ACTION ON SMOKING AND HEALTH UNITED KINGDOM 144-145 SHOREDITCH HIGH STREET LONDON E1 6JE UNITED KINGDOM	139,016.
EDUCATIONAL THE CANCER COUNCIL AUSTRALIA GPO BOX 4708 SYDNEY NSW 2001 AUSTRALIA	81,522.
LEGAL FRAMEWORK CONVENTION ALLIANCE RUE HENRI-CHRISTINE 5, CASE POSTALE 567 CH-1211 GENEVA 4, SWITZERLAND	97,570.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	318,108.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	3
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	215,965.	178,430.	37,535.
LEASEHOLD IMPROVEMENTS	30,388.	22,417.	7,971.
TOTAL TO FORM 990, PART IV, LN 57	246,353.	200,847.	45,506.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 4

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
	FMV			4,063,219.	4,063,219.
TO FORM 990, LINE 54A, COL B				4,063,219.	4,063,219.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 5

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JOHN F. BANZHAF III 2013 H STREET NW WASHINGTON, DC 20006	EXECUTIVE DIRECTOR 35.00	226,500.	33,374.	0.
VELMA DESSUIT 2013 H STREET NW WASHINGTON, DC 20006	DEVELOPMENT DIRECTOR 40.00	101,250.	15,827.	0.
LAURENT HUBER 701 4TH STREET NW WASHINGTON, DC 20001	INTERNATIONAL DIRECTOR 60.00	164,000.	19,328.	0.
ELIZABETH FURGURSON 701 4TH STREET NW WASHINGTON, DC 20001	INTERNATIONAL CHIEF OPERATING OFFIC 40.00	90,000.	11,180.	0.
MARTIN A. JACOBS 2013 H STREET NW WASHINGTON, DC 20006	TRUSTEE 1.00	0.	0.	0.
CHARLES CRAWFORD 2013 H STREET NW WASHINGTON, DC 20006	TRUSTEE 1.00	0.	0.	0.
DR. ALFRED MUNZER 2013 H STREET NW WASHINGTON, DC 20006	TRUSTEE 1.00	0.	0.	0.

ACTION ON SMOKING AND HEALTH

13-2603590

PATRICIA LAMBERT
701 4TH STREET NW
WASHINGTON, DC 20001

DIRECTOR, ASH-INTERNATIONAL
1.00 0.

0. 0.

DOUGLAS BLANKE
701 4TH STREET NW
WASHINGTON, DC 20001

DIRECTOR, ASH-INTERNATIONAL
1.00 0.

0. 0.

TOTALS INCLUDED ON FORM 990, PART V-A

581,750. 79,709. 0.

FORM 990

LIST OF STATES RECEIVING COPY OF RETURN
PART VI, LINE 90

STATEMENT 6

STATES

AR, CA, CT, DC, FL, GA, IL, KS, KY, LA, ME, MD, MA, MI, MS, NH, NJ, NY, OH, OR, PA, RI, SC, TN, UT
VA, WA, WV, WI, NC, MN

SCHEDULE A

OTHER INCOME

STATEMENT 7

DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
OTHER INCOME	0.	0.	3,544.	4,880.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	3,544.	4,880.