HB 531-FN - AS INTRODUCED

2023 SESSION

23-0553
02/10

HOUSE BILL ***531-FN***

AN ACT relative to the taxation of tobacco and nicotine products.

SPONSORS: Rep. Stringham, Graf. 3; Rep. Schamberg, Merr. 6

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill directs the commissioner of the department of revenue administration to annually set the tobacco and nicotine tax based on the rates charged by neighboring states, and directs the commissioner to produce a report detailing the uses of such taxes.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

23-0553
02/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the taxation of tobacco and nicotine products.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Tobacco Tax; Tax Imposed. Amend RSA 78:2 to read as follows:

78:2 Tax Imposed.

I. A tax on all cigarettes and little cigars sold at retail in this state is imposed upon the consumer at the rate [~~of $1.78~~] ***according to paragraph III-a*** for each package containing 20 cigarettes or little cigars or at a rate proportional to such rate for packages containing other than 20 cigarettes or little cigars.

II.(a) A tax on all other tobacco products sold at retail in this state is imposed on tobacco products other than cigarettes, except electronic cigarettes, at a rate [~~of 65.03 percent of the wholesale sales price~~] ***according to paragraph III-a***.

(b) A tax upon electronic cigarettes sold at retail in this state is imposed as follows:

(1) For closed cartridges or containers of liquid or other substances containing nicotine that are not intended to be opened, at a rate [~~of $0.30~~] ***according to paragraph III-a*** per milliliter on the volume of the liquid or other substance in the cartridge or container as listed by the manufacturer; and

(2) For containers of liquid or other substances containing nicotine that are intended to be opened, at a rate [~~of 8 percent of the wholesale sales price~~] ***according to paragraph III-a***.

(c) The tax under this paragraph may be rounded to the nearest cent if the commissioner determines that the amount of tax would not thereby be made materially disproportionate. No such tax shall be imposed on premium cigars.

III. The tax shall be paid by the wholesaler who ships or transports tobacco products to retailers in this state, to be sold by those retailers.

III-a. The commissioner shall annually set and publish the tax rate for tobacco and nicotine products under this section for the upcoming fiscal year before January 1. Tax rates shall be a maximum of the lowest rate charged for equivalent products in Massachusetts, Maine, and Vermont, taking into account any secondary or sales tax, and a minimum of 8 percent below the lowest of such rates.

2 Commissioner of Revenue Administration to Produce Report on Tobacco and Nicotine Taxes. The commissioner of the department of revenue administration shall report by July 1, 2024 to the chairs of the house and senate ways and means committees detailing the current required uses of tobacco and nicotine taxes, to include the use of settlement funds from the tobacco industry, and the actual uses of such funds.

3 Effective Date. This act shall take effect July 1, 2023.

LBA
23-0553
1/9/23

HB 531-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the taxation of tobacco and nicotine products.

FISCAL IMPACT: [X] State [ ] County [ ] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Appropriation	$0	$0	$0	$0
Revenue	$0	$0	Indeterminable	Indeterminable
Expenditures	$0	$0	$0	$0
Funding Source:	[X] General	[X] Education	[ ] Highway	[ ] Other

METHODOLOGY:

This bill requires the commissioner of the Department of Revenue Administration to annually set and publish the tax rate for tobacco and nicotine products by January 1 so that they can be applied in the upcoming State fiscal year. As part of establishing the rates, the rates applied by Massachusetts, Maine and Vermont need to be considered and the rates set for New Hampshire shall be a maximum of the lowest rate charged for equivalent products in those states and a minimum of 8 percent below the lowest such rates.

The Department states this bill will have an indeterminable impact on General Fund and Education Trust Fund revenues. If the required rate setting results in an increase in tobacco tax rates, there may be an increase in revenue. However, the Department is not able to predict the impact of the potential tobacco tax rate changes on the sales of tobacco products which may limit any revenue growth. The Department also notes that certain tobacco products are not taxed similarly amongst Massachusetts, Maine, Vermont and New Hampshire, therefore the Department is unable to perform the necessary comparisons to determine the tax rate change on these certain products or state what the potential impact on revenue might be.

The Department is able to provide a limited estimate of the impact on revenues due to the uniform tax treatment of Tobacco Stamps. For this analysis, the Department uses FY 2022 tobacco related data provided on DRA forms and makes no assumption as to the impact of the rate changes on Tobacco Stamp sales.

State	Rate per	State Sales	Effective	Difference	Rank Low-

	Pack of 20	Tax Rate	Rate	from NH	High
Massachusetts	$3.51	6.25%	$3.73	$1.95	3
Vermont	$3.08	6.00%	$3.26	$1.48	2
Maine	$2.00	5.50%	$2.11	$0.33	1
New Hampshire	$1.78	0.00%	$1.78		

Based on the Maine rates, the minimum rate for NH would be $1.94 and the maximum would be $2.11. The table below provides an estimate of the impact on revenue.

	FY 2022 NH Stamps Sold	NH Revenue (Current Law)	NH Minimum Revenue (Proposed Law)	NH Maximum Revenue (Proposed Law)	Minimum Revenue Impact	Maximum Revenue Impact
Total	113,701,000	$202,388,000	$220,580,000	$239,909,000	$18,192,000	$37,521,000

The Department would need to update all necessary tax forms and electronic management systems to reflect the tax on premium cigars; however, it is not anticipated this will result in any additional administrative costs that could not be absorbed in the Department's operating budget.

AGENCIES CONTACTED:

Department of Revenue Administration

REGULAR CALENDAR

February 2, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Commerce and Consumer Affairs to which was referred HB 531-FN,

AN ACT relative to the taxation of tobacco and nicotine products. Having considered the same, report the same with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Jane Beaulieu

FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

Committee:	**Commerce and Consumer Affairs**
Bill Number:	**HB 531-FN**
Title:	**relative to the taxation of tobacco and nicotine products.**
Date:	**February 2, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**INEXPEDIENT TO LEGISLATE**

STATEMENT OF INTENT

This bill directs the Commissioner of the Department of Revenue Administration to annually set the tobacco and nicotine tax based on the rates charged by neighboring states. Testimony provided by small retail outlets selling these products indicated substantial losses in revenue if the taxes mirrored neighboring states, and fewer sales means less tax revenue for the State of NH.

Vote 15-5.

Rep. Jane Beaulieu
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs

HB 531-FN, relative to the taxation of tobacco and nicotine products. **INEXPEDIENT TO LEGISLATE.**

Rep. Jane Beaulieu for Commerce and Consumer Affairs. This bill directs the Commissioner of the Department of Revenue Administration to annually set the tobacco and nicotine tax based on the rates charged by neighboring states. Testimony provided by small retail outlets selling these products indicated substantial losses in revenue if the taxes mirrored neighboring states, and fewer sales means less tax revenue for the State of NH. **Vote 15-5.**

Original: House Clerk

Cc: Committee Bill File

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB531-FN Date: 1/25/23

Committee: Commerce

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Chris Maidment		603 440 9937	AFP NH		X
Greg Moore			AFP NH		X
Rep. Tom Schamberg	– W+M		Self	X	
Kyle Baker	NH Grocers Association				X
Tom Prasol	NH Retail Association				X
Simon Thomson	Altria Client Services				X
Shaun Thomas	Reynolds American				X

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill HB459 on 2023-01-25

Support: 0 Oppose: 1 Neutral: 0 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	Signed Up
Smith, Julie	Nashua, NH cantdog@comcast.net	A Member of the Public	Myself	Oppose	No	No	1/18/2023 5:00 PM

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 531-FN

BILL TITLE: **relative to the taxation of tobacco and nicotine products.**

DATE: **January 25, 2023**

LOB ROOM: **302-304** **Time Public Hearing Called to Order:** **9:00 a.m.**

Time Adjourned:

Committee Members: Reps. Hunt, Ammon, Beaulieu, Potucek, Terry, Post, Cole, Porcelli, Thackston, L. Walsh, Burroughs, Herbert, Vincent, Gibbs, Spier and J. Sullivan

Bill Sponsors:
Rep. Stringham **Rep. Schamberg**

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Stringham Introduced
- The testimony reflects the content of the bill

*Nancy Vaughn - American Heart Assoc- Neutral

*State Dept of Health and Human Services
- Relative to taxes

Victor Viterle - NH Vapers Assoc - Opposes
- Cross border sales are great
- We compete with the black market
- Lets not play with our revenue

Keen Mey Wong and Lauren - DRA - Neutral
- Challenges in administering the tax rate
- Clarifying language is needed
- DRA - Revenue is passed onto another department not the DRA

Rich Rigazio - East West Distributors - Oppose
- 3rd Generation retailer
- We should not be the test state
- His business is successful because of NHs tobacco products low tax rates

Brett Scott - Oppose
- Employs 140 people w/Smokers Haven
- Small businesses in NH will be impacted in many ways

Respectfully Submitted,

Rep Jane Beaulieu, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 531-FN

BILL TITLE: relative to the taxation of tobacco and nicotine products.

DATE: February 1, 2023

Subcommittee Members: Reps. Hunt, Beaulieu, Osborne, Potucek, L. Walsh, Burroughs, Vincent and J. Sullivan

Comments and Recommendations:

MOTIONS: **INEXPEDIENT TO LEGISLATE**

Moved by Rep. Rep. Beaulieu Seconded by Rep. Rep. Vincent Vote: 6-1

Respectfully submitted,

Rep. John Hunt
Subcommittee Chairman

American Heart Association
You're the Cure

American Heart Association
2 Wall Street | Manchester, NH 03101

January 25, 2023

House Commerce and Consumer Affairs Committee
Re: HB 531-FN, relative to the taxation of tobacco and nicotine products

Chairman Hunt and Committee Members;

The American Heart Association appreciates this opportunity to provide testimony regarding tobacco product taxation in New Hampshire. We appreciate Representative Stringham for bringing this bill forward, to discuss new ways we may consider increasing our tobacco excise tax rates, however, as we have concerns about the provisions in the bill, we are taking a neutral position at this time on HB 531. I did want to provide the committee with some information on the current state of tobacco control, as you consider HB 531.

The American Heart Association, for several decades, has prioritized our support of substantial increases to the excise tax rate on dangerous traditional products, like cigarettes, e-cigarettes (vapes) and Other Tobacco Products (OTP) such as chewing tobacco, snuff, and flavored cigars. Tobacco is **the leading cause of preventable disease, disability, and death** in the United States. The public health benefits of tax increases on these products include reducing and preventing tobacco use (especially among youth), savings on healthcare costs from tobacco-related illnesses, and a stable source of funds for tobacco use prevention efforts and cessation services. Unfortunately, since the early 2000s, New Hampshire has not directly funded our state tobacco control efforts with a percentage of the revenues it receives from taxes nor the Master Settlement Agreement (MSA). While we appreciate the funding provided for these efforts in the previous state budget cycles, those funds are currently only 3.6% of the amount recommended for our state by the Centers for Disease Control (CDC).

Equally as unfortunate, New Hampshire has not increased its cigarette tax in the last 10 years, and has only a moderate tax rate set on e-cigarettes. Most adults (90%) initiate tobacco use before they turn 19 years of age. Increasing the price of tobacco through taxes is one of the most effective ways to **protect kids** from tobacco companies' aggressive, targeted marketing efforts. The Association supports no less than a **$1.00 increase** in the cigarette tax and an accompanying increase for all other tobacco products to prevent switching to other lower priced alternatives. In

New Hampshire the rate for smoking traditional cigarettes among high school aged youth has decreased to 5.5%, a significant decline from 2000. Nationally, it is 2.0%, so we still have work to do in NH. However, **33.8% of high school students use e-cigarettes**, the most commonly used tobacco product among youth since 2014. E-cigarette liquids contain as much nicotine, the addictive agent in tobacco products, as found in a pack of cigarettes, so students who vape and find themselves unable to quit are still beginning a potential lifetime of tobacco use. Our current e-cigarette tax rate was set too low to make for an impactful price increase in those products.

Our adult smoking rate is 12.3%, a decrease over time. Earlier I mentioned healthcare costs due to tobacco-related illnesses, including heart disease, cancer and lung cancer. Tobacco use costs NH **$847 million** annually, $149.7 million is paid for through the Medicaid program – these costs translates to $866 per household in tax burden. Smoking-caused productivity losses from premature death and illness that prevent people from working amount to $1.5 billion in NH.

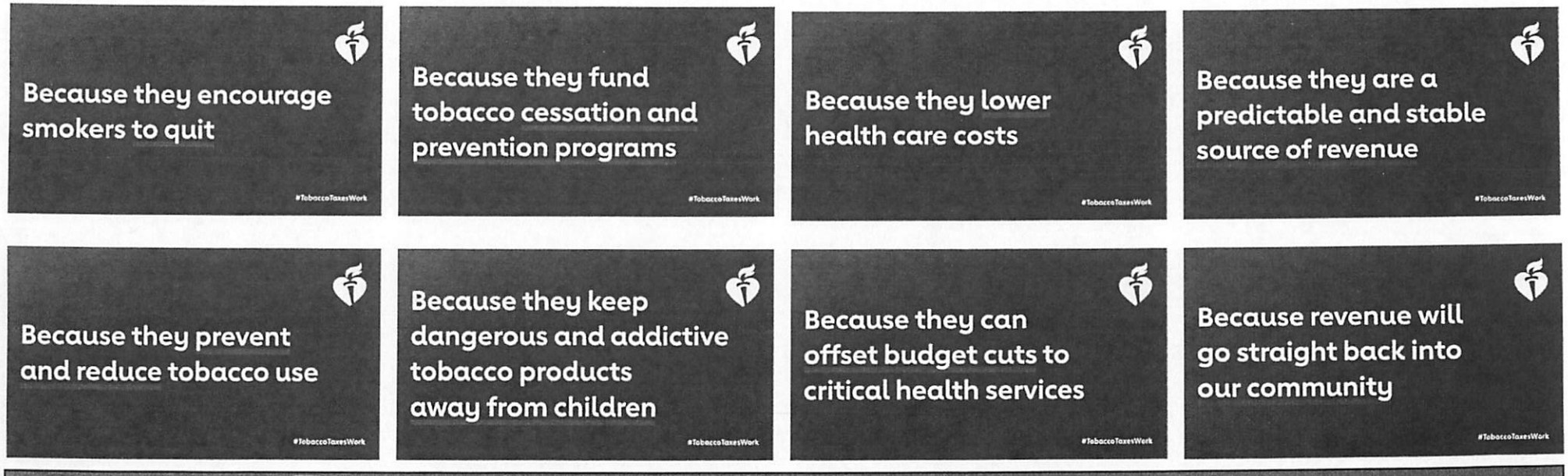
As the American Heart Association works towards the *Tobacco Endgame* and ending nicotine addiction, it is imperative that tobacco tax revenue be dedicated to programs and services that help people quit and keep kids from ever starting. Although some individual states may have seen decreases in smoking prevalence independent of any tax increase, those with the greater tax increases tended to experience the largest decline in smoking prevalence.

Thank you for your consideration of my testimony. If you have any questions or would like additional information, please reach out to me at the American Heart Association.

Submitted by,

Nancy Vaughan
Director of Government Relations, NH
American Heart Association
Nancy.vaughan@heart.org; 603-566-5658

Why tax tobacco? Because...



LIVE FIERCE

POLICY AT-A-GLANCE



American Heart Association.

Tobacco Excise Taxes

Background

- Increases in cigarette prices lead to substantial reductions in cigarette smoking for youth, young adults, and those with low income.[1]
- In 2009, the federal cigarette tax increased $0.62 per pack making federal tax on a pack of cigarettes $1.01 per pack, where it remains.[2]

Fast Facts:

1. The Congressional Budget Office has concluded that a 10% increase in the price of a pack of cigarettes would reduce youth smoking by 5-15%, and adult smoking by 3-7%.[5]
2. Tobacco tax increases save lives, provide revenue for local, state, and federal governments, and they have the strong support of the public.[3]

- As of March 2021, the average state tobacco excise tax is $1.91/pack,[2] and every state that has increased its cigarette tax significantly has experienced a substantial increase in revenue.[3]
- The emergence of new products such as e-cigarettes and other vaping products and heated tobacco products has added new complexity and challenges for efficient and effective taxation.[4] Currently, the federal government does not tax e-cigarettes or heated tobacco products.

The American Heart Association's Position[6]

- *The American Heart Association advocates for significant increases in tobacco excise taxes at the federal, state, county and municipal levels.*
  - The AHA advocates for significant tobacco tax increases of $1 or more at the state level.
- *E-cigarettes and smokeless tobacco, as long as they are not regulated by FDA as modified risk products, should be taxed at parity with other tobacco products.*
  - Taxes on vaping products should be high enough to discourage youth use and should be accompanied by a **simultaneous increase on cigarette taxes** and other tobacco products to incentivize switching to potentially less harmful products.[4]
- *Tobacco excise taxes should be highest for combustible products while FDA-approved modified risk products would be taxed at a lower rate, and tobacco cessation aids should not be taxed at all.*
  - Differential taxation could also be accompanied by marketing restrictions.
- *As the AHA works towards the Tobacco Endgame and ending nicotine addiction, it is imperative that tobacco tax revenue be dedicated to programs and services that help people quit and keep kids from ever starting.*

For more information and resources from the American Heart Association's policy research department on tobacco please visit: https://www.heart.org/en/about-us/policy-research.

American Heart Association • Advocacy Department • 1150 Connecticut Ave, NW • Suite 300 • Washington, D.C. 20036 •
policyresearch@heart.org • www.heart.org/policyresearch • @AmHeartAdvocacy • #AHAPolicy

References

1. Bader, P., Boisclair, D., Ferrence, R. Effects of tobacco taxation and pricing on smoking behavior in high risk populations: a knowledge synthesis. *Int J Environ Res Public Health*. 2011. Nov; 8(11): 4118.
2. Campaign for Tobacco-Free Kids (TFK). U.S. State and Local Issues: U.S. State Tobacco Taxes. *U.S. State Tobacco Taxes*. 2021.
3. Campaign for Tobacco-Free Kids (TFK). *Tobacco tax increases are a reliable source of substantial new state revenue.*; 2017.
4. Chaloupka FJ, Tauras JA. *Taxation of emerging tobacco products*. Chicago: Tobacconomics; 2020.
5. Congressional Budget Office. 2012. Raising the Excise Tax on Cigarettes: Effects on Health and the Federal Budget. Retrieved from: http://www.cbo.gov/sites/default/files/cbofiles/attachments/06-13Smoking_Reduction.pdf . Accessed on February 19, 2018.
6. Bhatnagar A, Whitsel LP, Blaha MJ, Huffman MD, Krishan-Sarin S, Maa J, Rigotti N, Robertson RM, Warner JJ. New and Emerging Tobacco Products and the Nicotine Endgame: The Role of Robust Regulation and Comprehensive Tobacco Control and Prevention: A Presidential Advisory From the American Heart Association. *Circulation*. 2019;139(19).

KEY STATE-SPECIFIC TOBACCO-RELATED DATA & RANKINGS

State	Adult Smoking Rate	Adult Smoking Rank (1=low)	Pregnant Smoking Rate[c]	Youth Smoking Rate	New Youth Smokers Per Year	Annual Adult Smoking Deaths (approx.)	Kids Now Alive Who Will Become Smokers	Kids Now Alive Who Will Die From Smoking	Smoking Caused Health Costs (millions)	Cigarette Tax (per pack)	Cigarette Tax Rank (1 = high)	FY 2023 Funding for State TC Programs (millions)	Tobacco Prevention Spending % of CDC Target
All States	**12.5%**	///	**6.0%**	**2.0%**	**36,000**	**480,000**	**17+ mill.**	**5.6 mill.**	**$241 bill.**	**$1.91**	///	**$733.1**	**22.2%**
Alabama	17.2%	41st	10.1%	**7.1%**	690	8,600	336,200	108,000	$2.19 bill.	$0.675	41st	$1.7	3.1%
Alaska	17.1%	40th	11.5%	**8.4%**	90	600	43,600	14,000	$509	**$2.00**	**19th**	$6.5	63.5%
Arizona	13.1%	17th	4.8%	**5.3%**	740	8,300	359,800	115,000	$2.76 bill.	**$2.00**	**19th**	$17.7	27.5%
Arkansas	21.1%	49th	13.9%	**9.7%**	440	5,800	214,700	69,000	$1.41 bill.	**$1.15**	**36th**	$9.0	24.5%
California	8.8%	2nd	1.6%	*1.2%*	2,850	40,000	1,376,800	441,000	$15.44 bill.	$2.87	13th	$199.5	57.3%
Colorado	12.0%	10th	6.2%	*3.3%*	580	5,100	283,200	91,000	$2.19 bill.	$1.94	24th	$24.7	46.7%
Connecticut	11.1%	9th	4.9%	**3.7%**	360	4,900	175,400	56,000	$2.36 bill.	$4.35	2nd	$13.6	42.6%
Delaware	13.4%	21st	9.1%	**6.2%**	110	1,400	53,700	17,000	$618	$2.10	17th	$9.7	74.5%
DC	9.5%	3rd	2.6%	**5.3%**	40	800	22,300	7,000	$454	$4.50	1st	$1.9	17.8%
Florida	14.7%	*	5.1%	1.7%	1,750	32,300	844,500	270,000	$10.04 bill.	**$1.339**	**33rd**	$77.7	40.0%
Georgia	15.0%	30th	5.3%	**4.0%**	1,320	11,700	637,500	204,000	$3.69 bill.	**$0.37**	**50th**	$2.1	2.0%
Hawaii	10.1%	4th	3.6%	**5.3%**	130	1,400	67,000	21,000	$611	**$3.20**	**8th**	$7.6	55.3%
Idaho	13.3%	19th	8.7%	**5.3%**	190	1,800	94,300	30,000	$590	**$0.57**	**46th**	$4.4	28.5%
Illinois	12.0%	10th	6.4%	**4.7%**	1,490	18,300	720,100	230,000	$6.38 bill.	$2.98	12th	$10.1	7.4%
Indiana	17.3%	42nd	13.5%	5.2%	970	11,100	471,100	151,000	$3.40 bill.	**$0.995**	**39th**	$7.5	10.2%
Iowa	14.6%	28th	12.9%	**6.7%**	350	5,100	172,100	55,000	$1.49 bill.	**$1.36**	**32nd**	$4.3	14.2%
Kansas	15.6%	35th	10.2%	**5.8%**	390	4,400	191,200	61,000	$1.31 bill.	$1.29	34th	$1.0	3.6%
Kentucky	19.6%	46th	18.4%	**8.9%**	770	8,900	371,700	119,000	$2.23 bill.	$1.10	37th	$2.0	3.5%
Louisiana	19.5%	45th	6.8%	**8.4%**	630	7,200	307,400	98,000	$2.19 bill.	$1.08	38th	$5.1	8.6%
Maine	15.6%	35th	14.1%	**6.8%**	170	2,400	84,300	27,000	$942	**$2.00**	**19th**	$15.9	100.0%
Maryland	10.1%	4th	5.9%	**5.0%**	590	7,500	288,900	92,000	$3.14 bill.	$3.75	5th	$20.6	42.9%
Massachusetts	10.6%	6th	5.2%	**5.0%**	660	9,300	322,300	103,000	$4.74 bill.	**$3.51**	**6th**	$6.1	9.2%
Michigan	17.0%	39th	11.7%	**4.5%**	1,380	16,200	666,500	213,000	$5.33 bill.	**$2.00**	**19th**	$1.8	1.7%
Minnesota	13.4%	21st	8.9%	9.6%	660	5,900	319,000	102,000	$2.92 bill.	$3.04	10th	$11.7	22.1%
Mississippi	19.6%	46th	10.0%	**6.6%**	440	5,400	213,900	68,000	$1.43 bill.	**$0.68**	**40th**	$8.7	23.8%
Missouri	17.3%	42nd	15.3%	**6.5%**	820	11,000	398,600	128,000	$3.52 bill.	**$0.17**	**51st**	$2.9	3.9%
Montana	14.4%	25th	16.5%	**7.7%**	120	1,600	59,000	19,000	$511	**$1.70**	**27th**	$4.9	33.2%

1400 I Street NW - Suite 1200 - Washington, DC 20005. Phone (202) 296-5469 · Fax (202) 296-5427 · www.tobaccofreekids.org

State	Adult Smoking Rate	Adult Smoking Rank (1=low)	Pregnant Smoking Rate[4]	Youth Smoking Rate	New Youth Smokers Per Year	Annual Adult Smoking Deaths (approx.)	Kids Now Alive Who Will Become Smokers	Kids Now Alive Who Will Die From Smoking	Smoking Caused Health Costs (millions)	Cigarette Tax (per pack)	Cigarette Tax Rank (1 = high)	FY 2023 Funding for State TC Programs (millions)	Tobacco Prevention Spending % of CDC Target
Nebraska	13.4%	21st	9.8%	4.2%	240	2,500	118,600	38,000	$924	$0.64	42nd	$2.6	12.4%
Nevada	15.5%	33rd	4.0%	3.6%	260	4,100	128,700	41,000	$1.25 bill.	$1.80	25th	$3.5	11.5%
N. Hampshire	12.3%	13th	11.1%	5.5%	140	1,900	67,900	22,000	$847	$1.78	26th	$0.5	3.0%
New Jersey	10.7%	7th	3.9%	3.8%	920	11,800	445,800	143,000	$4.72 bill.	$2.70	14th	$7.1	6.9%
New Mexico	13.4%	21st	6.5%	8.9%	250	2,600	124,500	40,000	$981	$2.00	19th	$5.7	24.9%
New York	12.0%	10th	4.8%	2.4%	1,810	26,200	873,900	280,000	$12.07 bill.	$4.35	2nd	$39.2	19.3%
North Carolina	14.4%	25th	8.9%	8.3%	1,160	14,200	562,500	180,000	$4.42 bill.	$0.45	48th	$13.4	13.5%
North Dakota	15.0%	30th	12.0%	8.3%	80	1,000	43,400	14,000	$379	$0.44	49th	$5.7	58.0%
Ohio	18.0%	44th	14.4%	4.9%	1,670	20,200	809,800	259,000	$6.56 bill.	$1.60	29th	$14.8	11.2%
Oklahoma	16.9%	38th	11.7%	9.1%	570	7,500	275,600	88,000	$1.88 bill.	$2.03	18th	$33.0	78.0%
Oregon	12.4%	14th	9.5%	2.9%	440	5,500	213,400	68,000	$1.79 bill.	$3.33	7th	$53.1	135.1%
Pennsylvania	14.4%	25th	11.5%	6.6%	1,570	22,000	761,500	244,000	$7.41 bill.	$2.60	15th	$15.5	11.1%
Rhode Island	12.4%	14th	7.4%	4.2%	100	1,800	48,700	16,000	$744	$4.25	4th	$0.4	3.2%
South Carolina	15.5%	33rd	9.1%	5.9%	660	7,200	322,900	103,000	$2.21 bill.	$0.57	46th	$5.0	9.8%
South Dakota	15.3%	32nd	13.6%	12.0%	130	1,300	65,700	21,000	$433	$1.53	30th	$4.5	38.5%
Tennessee	19.7%	48th	13.4%	7.1%	810	11,400	391,400	125,000	$3.10 bill.	$0.62	43rd	$2.0	2.6%
Texas	13.1%	17th	3.3%	4.9%	3,220	28,000	1,557,800	498,000	$10.29 bill.	$1.41	31st	$3.5	1.3%
Utah	7.2%	1st	3.0%	2.2%	250	1,300	120,800	39,000	$630	$1.70	27th	$15.5	80.3%
Vermont	14.8%	29th	15.5%	6.9%	60	1,000	31,500	10,000	$404	$3.08	9th	$2.7	32.0%
Virginia	12.4%	14th	6.2%	5.5%	970	10,300	469,800	150,000	$3.61 bill.	$0.60	44th	$11.9	13.0%
Washington	10.8%	8th	6.9%	1.9%	670	8,300	324,900	104,000	$3.26 bil.	$3.025	11th	$6.6	10.3%
West Virginia	22.0%	50th	25.1%	13.5%	300	4,300	147,900	47,000	$1.17 bill.	$1.20	35th	$0.4	1.6%
Wisconsin	13.3%	19th	11.3%	4.7%	680	7,900	332,000	106,000	$3.09 bil.	$2.52	16th	$5.3	9.2%
Wyoming	16.4%	37th	14.6%	15.7%	70	800	37,800	12,000	$300	$0.60	44th	$2.5	29.0%

*Florida not included in adult smoking rate ranking because data is from a different year.

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Campaign for Tobacco-Free Kids, January 17, 2023 / Hope Neuling

Electronic Cigarettes:

Brief Overview of Key Issues

A significant number of adults and youth are using electronic cigarettes, which provide a relatively new way to deliver the addictive substance nicotine without burning tobacco. We have much more to learn about e-cigarettes, and many questions remain about the long-term health effects of these products. According to the Surgeon General, the CDC, and the 2018 National Academies of Sciences, Engineering, and Medicine (NASEM) report on e-cigarettes, e-cigarettes deliver fewer toxins than combustible cigarettes, but that doesn't mean that they are safe or without risk. In a 2020 report, the Surgeon General found that "the long-term health effects of using these products remain unknown, and short-term risks are only slowly coming into focus." The Surgeon General previously called for "aggressive steps to protect our children from these highly potent products that risk exposing a new generation of young people to nicotine."

Youth Use of E-cigarettes

Three years ago, the Surgeon General declared e-cigarette use among youth "an epidemic in the United States." Despite recent declines, youth e-cigarette use rates remain alarmingly high and e-cigarette companies continue addicting kids with flavored products. The 2018 NASEM Report also found that e-cigarette use among youth and young adults increases the risk of ever using regular cigarettes.

- **Youth e-cigarette use remains a public health crisis.**
  E-cigarettes have been the most commonly used tobacco product among youth since 2014. In 2022, over 2.5 million youth, including 14.1% of US high schoolers were current e-cigarette users. In 2022, 46% of high school e-cigarette users reported vaping on 20 or more days/month, and 30.1% reported daily use. In total, 700,000 middle and high school students are vaping every single day.

- **Marketing and flavors play a key role in youth use of e-cigarettes.**
  The 2016 Surgeon General's report found that, "E-cigarettes are marketed by promoting flavors and using a wide variety of media channels and approaches that have been used in the past for marketing conventional tobacco products to youth and young adults."

  E-cigarettes are still available in a variety of flavors, including many kid-friendly ones like fruit punch, funnel cake, and orange soda. In 2021, about 85 percent of current youth e-cigarette users used a flavored product.

Adult Use of E-cigarettes

In 2020, 3.7 percent of adults used e-cigarettes every day or some days, a statistically significant decline from 4.5% in 2019. E-cigarette use is highest among young adults: 9.4% of 18-24 year olds use e-cigarettes compared to 2.2% of 45-64 year-olds. In 2019, a majority of young adults (56%) who were current e-cigarette users have never been cigarette smokers.

Do E-Cigarettes Help People Quit Smoking?

E-cigarettes could benefit public health if they help significantly reduce the number of people who use regular cigarettes. However, the U.S. Surgeon General, the NASEM report and U.S. public health authorities have found that there is limited evidence that e-cigarettes are effective for complete smoking cessation. Health officials note that adult smokers need to quit smoking completely – not just cut back – in order to fully protect their health.

- The 2020 Surgeon General's Report on Smoking Cessation concluded that "there is presently inadequate evidence to conclude that e-cigarettes, in general, increase smoking cessation."
- The U.S. Preventive Services Task Force, which makes recommendations about the effectiveness of preventive care services, said "the current evidence is insufficient to recommend electronic nicotine delivery systems for tobacco cessation...." Researchers from the CDC stated, "There is currently no conclusive scientific evidence that e-cigarettes promote long-term cessation, and e-cigarettes are not included as a recommended smoking cessation method by the U.S. Public Health Service."
- The CDC states, "If you only cut down the number of cigarettes you smoke by adding another tobacco product, like e-cigarettes, you still face serious health risks. Smokers must quit smoking completely to fully protect their health – even a few cigarettes a day are dangerous." The Surgeon General also found that dual use, "does not meaningfully reduce exposure to potentially harmful toxicants."

Health Effects of E-cigarettes

Using e-cigarettes involves regular inhalation of nicotine, glycerin or some other solvent, and numerous other harmful and potentially harmful substances. Current evidence suggests that e-cigarettes deliver fewer toxicants than combustible tobacco cigarettes. Nevertheless, the Surgeon General found that use of e-cigarettes "is not without potential health risks" and that "the long-term health effects of using these products remain unknown, and short-term risks are only slowly coming into focus." There is little data to assess the impact on cancer, but emerging evidence suggests that using e-cigarettes can increase respiratory and cardiovascular risk.

- **Nicotine is a highly addictive drug** that can have lasting damaging effects on adolescent brain development and has been linked to a variety of adverse health outcomes for the developing fetus. Nicotine also impacts the cardiovascular system. The Surgeon General concluded that, "The use of products containing nicotine in any form among youth, including in e-cigarettes, is unsafe."
- **Studies have found other chemicals and toxins present in some e-cigarettes**, including formaldehyde, acrolein, tobacco-specific nitrosamines, and metals like nickel and lead. These compounds are generally present at levels much lower than in cigarette smoke, although the compounds themselves are found on FDA's list of harmful or potentially harmful substances.

Regulation Is Critical

We are facing a public health crisis with youth use of e-cigarettes, and protecting our kids' health should be the top priority. Effective FDA regulation remains critical to preventing kids from using these products. Until the FDA acts, cities and states should continue their growing efforts to prohibit the sale of all flavored tobacco products, including e-cigarettes. Over 360 localities have restricted the sale of flavored tobacco products.

Sources: *For citations see: http://www.tobaccofreekids.org/research/factsheets/pdf/0379.pdf.*

YOUTH ACCESS AND EXPOSURE TO E-CIGARETTES AT THE POINT OF SALE

E-Cigarettes Are Easy for Kids to Purchase

While tremendous progress had been made in reducing youth access to cigarettes, research shows that e-cigarettes are significantly easier for underage youth to purchase than cigarettes. Underage purchase attempts of vaping products are 35% less likely to trigger an ID request and 42% more likely to result in a sales violation, compared to purchase attempts for cigarettes.[1] In 2022, over half (51.9%) of 10th grade students reported that it would be easy for them to get vaping devices.[2]

For youth who purchase their own e-cigarettes, gas stations, convenience stores and vape shops are the most common sources for illegal sales to minors. According to the 2021 National Youth Tobacco Survey (NYTS), 22.2% high school e-cigarette users report obtaining e-cigarettes from a vape shop or tobacco shop in the past month and 17.7% from a gas station or convenience store.[3] A study in *JAMA Pediatrics* found that in California, e-cigarette sales to minors violations are significantly higher in tobacco and vape shops than any other type of retailer, with 44.7% selling to underage buyers.[4]

E-Cigarette Marketing and Promotions in Retail Stores Appeals to Youth

Like cigarette and smokeless tobacco companies, e-cigarette companies are focusing their marketing at the retail level as well. In 2020, e-cigarette companies spent nearly 60 percent ($423.6 million) of their total advertising and promotion expenditures on price discounts, point-of-sale advertising, coupons, and payments to ensure prime retail space.[5] Consequently, it's no surprise that retail stores are the most common source of exposure to e-cigarette marketing among youth: 58.7% of middle and high school students—14.37 million youth—reported marketing exposure in retail stores in 2021.[6]

An assessment of vape shops in six cities across the US found that 29.1% had signage indicating health claims prohibited by the FDA, 16.3% offered free e-liquid samples, and 27.4% had signage with cartoon imagery.[7] In addition, 83.2% offered price promotions of some kind, and 89.9% had signage for product and price promotions.[8] A 2012 report of the U.S. Surgeon General concluded that, "...the industry's extensive use of price-reducing promotions has led to higher rates of tobacco use among young people than would have occurred in the absence of these promotions."[9]

Consistent with research on marketing of other tobacco products, studies have found that e-cigarettes are often stocked near kid-friendly products like candy. A national study found that in 2015, 20% of e-cigarette retailers had e-cigarettes displayed near candy, gum, soda, or ice cream.[10] Another study of e-cigarette retailers in North Carolina found that 13.6% stocked e-cigarettes next to candy and 14.8% stocked them next to cessation aids, sending mixed messages to consumers about the health risks of e-cigarettes.[11]

Neighborhood Access to E-Cigarette Retailers

An assessment of vape shops in six cities across the US found that one-third of vape shops were within two blocks of schools.[12] However, e-cigarettes are widely available in other retailers, including convenience stores. In 2015, 80% of tobacco retailers sold e-cigarettes (an increase from 72% in 2014); e-cigarette sales and use data suggest availability has likely continued to increase in recent years.[13]

With nearly half of adolescents visiting a convenience store at least once a week,[14] the chance a kid will have easy access to an e-cigarette retailer is high. Stanford researchers found that in 30 large U.S. cities, an average of 62.6% of public schools are within 1,000 feet (about 2 city blocks) of a tobacco retailer (ranging from 32.8% in Sacramento to 94.1% in New York City). They also found that on average, 70% of city residents live within a half mile (about a 10 minute walk) from a tobacco retailer.[15] Tobacco retailer density is associated with greater youth initiation of cigarette smoking,[16] and evidence is emerging that this pattern may hold true for e-cigarettes as well. A study in New Jersey found that e-cigarette retailer density around schools was positively associated with ever and past-month use of e-cigarettes.[17]

For decades, research has also shown that tobacco retailer density and marketing is higher in minority and low income neighborhoods.[18] Stanford researchers recently found that in 30 large U.S. cities, there are on average nearly five times more tobacco retailers per square mile in the lowest-income neighborhoods than in the highest-income neighborhoods.[19] The e-cigarette retail landscape is rapidly evolving and more research is needed on the distribution of e-cigarette retailers, including vape shops. However, states and communities that are considering exempting vape shops and/or adult-only tobacco retailers from regulations like flavor restrictions should consider the potential unintended consequences on tobacco-related disparities in their community.

Making it More Difficult for Kids to Access E-Cigarettes

Research shows that making obtaining tobacco products as inconvenient, difficult and expensive as possible for kids reduces both the number of kids who try or regularly use tobacco products.[20] To the extent that these measures directly affect youth who buy their own e-cigarettes or be sources for other youth, then they can also reduce the supply to other kids.

On December 20, 2019, President Trump signed legislation to amend the Federal Food, Drug, and Cosmetic Act, and raise the federal minimum age of sale of tobacco products from 18 to 21 years, effective immediately. While raising the tobacco sale age to 21 is a significant milestone, age restrictions alone are insufficient to reduce youth access.

Restricting the sale of flavored tobacco products is an important strategy that can help reduce youth access to e-cigarettes. According to 2022 NYTS data, 84.9% of youth e-cigarette users use flavored products[21] and according to the PATH study, 70.3% say they use e-cigarettes "because they come in flavors I like."[22] Restricting or prohibiting the sale of flavored e-cigarettes will therefore reduce the availability of the products most popular among youth. At least 335 localities and 5 states have passed restrictions or complete prohibitions on the sale of flavored e-cigarettes, along with other flavored tobacco products.[23]

Increasing the price of e-cigarettes is an effective way to discourage youth use because youth are particularly price sensitive.[24] Price hikes may also make it less likely that parents and other adults will give e-cigarettes to kids.

Campaign for Tobacco-Free Kids, December 15, 2022 / Laura Bach

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SMOKING AND KIDS

- Each day, over 1,100 kids in the United States try their first cigarette; and about 100 additional kids under 18 years of age become new regular, daily smokers. That's approximately 36,000 new underage daily smokers in this country each year.[1]

- The addiction rate for smoking is higher than the addiction rates for marijuana, alcohol, or cocaine; and symptoms of serious nicotine addiction often occur only weeks or even just days after youth "experimentation" with smoking first begins.[2] Because adolescence is a critical period of growth and development, exposure to nicotine may have lasting, adverse consequences on brain development.[3]

- Ninety percent of adult smokers begin while in their teens, or earlier; and two-thirds become regular, daily smokers before they reach the age of 19.[4]

- 4.0 percent of high school students are current smokers by the time they leave high school.[5]

- 2.0 percent (310,000) of all high school students (grades 9–12) are current smokers.[6]

- If current smoking rates persist, 5.6 million children alive today will die prematurely from smoking.[7]

- Roughly one-third of all youth smokers will eventually die prematurely from smoking-caused disease.[8]

- Smoking can seriously harm kids while they are still young. Aside from the immediate bad breath, irritated eyes and throat and increased heartbeat and blood pressure, short-term harms from youth smoking include respiratory problems, reduced immune function, increased illness, tooth decay, gum disease and pre-cancerous gene mutations.[9]

- The tobacco companies spend $7.8 billion each year to promote their cigarettes—over $21 million every day—and much of that marketing directly reaches and influences kids.[10]

- Kids are more susceptible to cigarette advertising and marketing than adults.[11] Youth smokers (12-17) continue to report Marlboro, Newport and Camel (the three most heavily advertised brands) as the product they smoked most often in the past 30 days.[12] For example, between 1989 and 1993, spending on the Joe Camel ad campaign jumped from $27 million to $43 million, which prompted a 50 percent increase in Camel's share of the youth market but had no impact at all on its adult market share.[13] Additionally, a survey conducted in March 2012 showed that kids were significantly more likely than adults to recall tobacco advertising. While only 25 percent of all adults recalled seeing a tobacco ad in the two weeks prior to the survey, 45 percent of kids aged 12 to 17 reported seeing tobacco ads.[14]

- A *Journal of the National Cancer Institute* study found that teens were more likely to be influenced to smoke by cigarette marketing than by peer pressure.[15] Similarly, a *Journal of the American Medical Association* study found that as much as one-third of underage experimentation with smoking was attributable to tobacco company marketing efforts.[16] In 2014, the U.S. Surgeon General reported that "tobacco industry advertising and promotion cause youth and young adults to start smoking, and nicotine addiction keeps people smoking past those ages."[17]

Campaign for Tobacco-Free Kids, January 13, 2023 / Hope Neuling

More information on kids and tobacco use is available at
https://www.tobaccofreekids.org/fact-sheets/tobaccos-toll-health-harms-and-cost/tobacco-and-kids.

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SMOKELESS TOBACCO AND KIDS

Since 1970, smokeless tobacco has gone from a product used primarily by older men to one used predominantly by young men and boys. This trend has occurred as smokeless tobacco promotions have increased dramatically and a new generation of smokeless tobacco products has hit the market. Far from being a "safe" alternative to cigarette smoking, smokeless tobacco use causes cancer and increases the risk of developing other health problems, including nicotine addiction and the potential to move on to combustible tobacco products.

Smokeless Tobacco Use

Although cigarette smoking among youth in the U.S. has declined significantly since 2000, use of smokeless tobacco among youth has declined much more slowly.[1]

- The 2022 National Youth Tobacco Survey (NYTS) showed that 1.6 percent of high school students overall reported current use of smokeless tobacco products, with 2.3 percent of high school boys currently using smokeless tobacco.[2]
- Each day, more than 400 kids ages 12-17 use smokeless tobacco for the first time.[3]
- In 2021, among current high school smokeless tobacco users, 30.3 percent used these products on 20 to 30 of the previous 30 days, which is considered frequent use.[4]
- Based on data from the Youth Risk Behavior Survey (YRBS), smokeless tobacco use among high school boys exceeded the national rate in 19 states. In 2019, the states with the highest boys' smokeless tobacco use rates were West Virginia (14.5%), Alabama (13.6%), Tennessee (13.5%), Ohio (12.8%), Arkansas (11.4%), and South Carolina (11.4%).[5]
- Based on 2013 data from the YRBS, high school athletes use smokeless tobacco at higher rates than non-athletes (11.1% vs. 5.9%). Among male high school athletes, smokeless tobacco use is particularly alarming at 17.4 percent. In addition, participation in more sports teams during high school is associated with higher rates of smokeless tobacco use.[6]

Smokeless tobacco use didn't used to be so prevalent among the younger population. In 1970, men 65 and older were almost six times as likely as those aged 18 to 24 to use spit tobacco regularly, but by 1991, young men were 50 percent more likely than the oldest men to be regular users.[7] This pattern held especially true for moist snuff, the most popular type of smokeless tobacco. From 1970 to 1991, the regular use of moist snuff by 18 to 24 year old men increased almost ten-fold, from less than one percent to 6.2 percent. Conversely, use among men 65 and older decreased by almost half, from four percent to 2.2 percent.[8]

With the new generation of smokeless tobacco products that are made to be easier to conceal, easier to use, and lower priced, the popularity of these products among young people is likely to continue.

New Companies, Old Players

In the past, cigarette companies only sold cigarettes and smokeless tobacco companies only sold smokeless tobacco. Today, however, companies sell a wide range of tobacco products. The U.S. Smokeless Tobacco Company (UST), now a subsidiary of Altria, the parent company of Philip Morris USA (makers of Marlboro cigarettes), is the biggest smokeless tobacco company in the U.S. and controls half (49.8%) of the moist snuff tobacco market (with leading premium brands Skoal and Copenhagen).[9] Reynolds American, Inc. (makers of Camel cigarettes) owns the second largest smokeless tobacco company in the U.S., American Snuff Company (formerly Conwood Tobacco Company), the makers of Grizzly and Kodiak. Other cigarette companies have also test-marketed their own smokeless tobacco products.

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January 23, 2023

To: Members of the Commerce and Consumer Affairs Committee of New Hampshire's House of Representatives
From: Americans for Tax Reform

Dear Representatives,

On behalf of Americans for Tax Reform (ATR), a non-profit organization which advocates in the interests of taxpayers and consumers throughout the United States, I urge you to reject HB 531, misguided legislation which seeks to increase the highly regressive tax on cigarettes and potentially on vape products. This bill promotes tax hikes, which will put a strain on New Hampshire families. This is a time of high inflation, and families across New Hampshire struggle to make ends meet. It is crucial that this proposal does not pass.

Evidence clearly demonstrates that if enacted, **this bill would do nothing to reduce smoking rates but would lead to a drastic decrease in state tax revenue due to an increase in criminal smuggling of tobacco.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than $25,000. **72% of those who smoke are from low-income communities, and increasing taxes on people unable to quit, as they struggle with the costs of unprecedented inflation and the aftermath of the Covid-19 pandemic, will put unnecessary hardship on families.**

Cigarette taxes are highly regressive, meaning they impact people with lower socioeconomic status more than they hurt those in higher income brackets. In New York State, where the tax on cigarettes is relatively high, **people in the highest income groups spend only about 2% of their annual income on cigarettes. Poor New Yorkers spend nearly a quarter of their income (23.6%) on cigarettes. Similar statistics can be expected in New Hampshire if this proposal is to pass. You cannot ignore the disproportionate impact that cigarette tax hikes have on low-income individuals when considering raising the tax rate on tobacco.**

Further, cigarette tax hikes promote black markets for smuggled tobacco products, and consistently result in revenues coming in far lower than projected. Contrary to popular belief that tobacco smuggling a victimless crime consisting of someone purchasing a few extra cartons across state lines, most tobacco smuggling is run by multi-million-dollar organized crime syndicates. **These networks, who also engage in human trafficking & money laundering, have also been used to fund terrorist and the US State Department has explicitly called tobacco smuggling a "threat to national security".**

Paradoxically this tax may increase youth smoking in the state: By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at tobacco retailers and convenience stores.

Only three out of 32 state tobacco **increases** between 2009 and 2013 met tax revenue estimates and for this reason, economists and tax policy experts view tobacco taxes as unsound policy, and it is highly unlikely that revenue estimates will be met. It has been determined that **recent increases in the cigarette tax rate in the US have not led to anything like the reductions that cigarette tax advocates promised. During years when there is a large increase in taxes, there is not an equivalent drop in cigarette purchases.**

Imposing taxes on e-cigarettes, which HB 531 would do, which are shown to be 95% less harmful than cigarettes and the most effective tool for smoking cessation, is proven to drive adults to more deadly alternatives, going against every principle of sound public policy.

Research from the National Bureau of Economic Research (NBER) determined that **Minnesota's tax on vaping products prevented 32,400 additional adult smokers from quitting smoking**. Additionally, they found "consistent and robust evidence" that taxes on e-cigarettes increase smoking rates, decrease smoking cessation, and lead to more tobacco-related deaths.

Instead, I urge you, the New Hampshire's House of Representatives to embrace new methods that are proven to help reduce smoking rates and facilitate adult smokers quitting through reduced risk alternatives to tobacco such as e-cigarettes. Please read more about e-cigarettes below and consider how these products will save lives in New Hampshire. Increased access to e-cigarettes is shown to lower smoking rates and improve public health. Rather than punishing the most vulnerable populations in your state by voting for HB 531, support policies that encourage e-cigarette use among adult smokers. Tens of thousands of lives depend upon it.

About E-Cigarettes and Vapor Products:

- Traditional combustible tobacco remains one of the leading preventable causes of death in **New Hampshire**. **The negative health effects of combustible tobacco come from the chemicals produced in the combustion process, not the nicotine**. While highly addictive, nicotine is a relatively benign substance like caffeine and nicotine use "does not result in clinically significant short- or long-term harms".

- Nicotine replacement therapies such as nicotine patches and gums have helped smokers quit for decades. In recent years, advancements in technology have created a more effective alternative: **vapor products and e-cigarettes. These products deliver nicotine through water vapor, mimicking the habitual nature of smoking while**

removing the deadly carcinogens that exist in traditional cigarettes.

- The CDC has found that only 3.1% of youths use e-cigarettes daily and youth vaping rates continue to decline sharply, disproving the myth of an ongoing "youth vaping epidemic."

Benefits of E-Cigarettes and Vapor Products:

- **Vapor products have been proven to be at least 95% safer than combustible cigarettes. A comprehensive analysis of nicotine product harm estimates that e-cigarettes expose users to just 4% of the harm of combustible cigarettes.**

- The Cochrane Review, the gold standard of medical meta-analysis, has identified "high certainty evidence" that e-cigarettes are more **effective** than nicotine replacement therapies at helping those who smoke quit.

- **E-cigarettes are more than twice as effective at helping smokers quit** than traditional nicotine replacement therapies. **According to one study, someone who smokes and attempts to quit with an e-cigarette has an estimated 323% higher chance of achieving complete cessation** compared to someone using a traditional nicotine replacement therapy like nicotine-containing patches, gum, or mouth spray.

- Vaping has been endorsed by over 100 of the world's leading public health organizations as safer than smoking and an effective way to help smokers quit.

- When e-cigarettes entered the market in 2003, the U.S. adult cigarette smoking rate was 21.6%. **Due to increased access to vaping, the U.S. adult smoking rate has plummeted to 12% as of 2022**.

- A recent analysis by Public Health England demonstrated just how effective vaping is in helping people quit smoking, noting that in just one year, over 50,000 British smokers, who would have continued smoking otherwise, quit smoking with vaping.

- A University of Glasgow study showed that e-cigarettes particularly help disadvantaged persons quit smoking. **HB 531 will have a tremendously negative impact on public health and would fail to decrease socioeconomic disparities by reducing adult access to products shown to improve public health.**

- Another study demonstrated that high-strength electronic nicotine products are particularly helpful for smokers with mental health issues quit smoking, like people with schizophrenia who smoke at rates more than three times the national average. Some

40% of participants had stopped smoking traditional cigarettes by the end of 12 weeks and researchers observed an overall, sustained 50% reduction in smoking or complete smoking abstinence in 92.5% of participants at the end of 12 weeks.

- Large-scale analysis from Georgetown University Medical Center estimates that 6.6 million American lives can be saved if a majority of cigarette smokers switched to vaping. **This would save more than 26,000 lives in New Hampshire.**

For the reasons outlined above, in the interests of public health, protecting the New Hampshire economy at a time of high inflation, and preventing the spread of smuggling cartels, we call upon you to **accept the overwhelming evidence and vote against HB 531. This legislation would do more harm than good and economically disadvantage the most vulnerable communities in New Hampshire.**

Sincerely,

Tim Andrews
Director of Consumer Issues
Americans for Tax Reform

NHHSD

1/24/23

Chair Hunt
NH House Committee on Commerce and Consumer Affairs, LOB Room 302
33 N. State St.
Concord, NH 03301

RE: House Bill 531

Dear Chair Hunt and Members of the Committee,

The New Hampshire High School Democrats are a group dedicated to increasing youth participation in politics and government and representing the views of young Granite Staters. We stand in support of HB 531 and urge the committee to recommend that it **Ought to Pass.**

HB531 would adjust the tax on tobacco to bring it on par with other states in New England. Compared to Massachusetts, Maine, and Vermont, New Hampshire's tax rates for tobacco are very low. A comparison of these rates is as follows:

State	Cigarette Tax	Premium Cigars Tax
Massachusetts	$3.51/20-pack	40% VALM
Maine	$2.00/20-pack	43% VALM
Vermont	$3.08/20-pack	92% VALW
New Hampshire	**$1.78/20-pack**	**No tax**

Source

According to this data, the language in HB531 would lead to an increase on the tax for most tobacco products. Though this would lead to higher prices for consumers, the effects of raising prices are actually positive in many ways. According to the American Lung Association,

> "Increasing taxes on cigarettes is a win-win proposition: significantly increasing cigarette taxes results in fewer kids starting to smoke, and in more adults quitting while at the same time providing substantial revenue to fund important health, as well as tobacco prevention programs. Every 10 percent increase in the price of cigarettes reduces consumption by about four percent among adults and about seven percent among youth."

It's common knowledge that reducing smoking is a positive thing. Smoking causes approximately 480,000 deaths anually and can reduce life expentancy by 10 years. However, it's also important to consider the increase in revenue from tobacco sales that would continue after a tax increase. This money could be allocated to further fund New Hampshire's anti-smoking campaigns, which are currently afforded only $360,000/year, compared to the $256.1 million (estimated) revenue we received from tobacco sales in 2021. This is just 2% of the spending target set by the CDC for these programs.

NHHSD

New Hampshire is falling behind on taxing tobacco. In order to reduce rates of smoking, better the health and safety of Granite Staters, and increase tax revenue allocated to anti-smoking programs. it's critical that we get on par with the rest of New England. For these reasons, the New Hampshire High School Democrats urge the committee to recommend that **HB531 Ought to Pass.**

Sincerely,

Sophia Biondolillo
Legislative Director
New Hampshire High School Democrats

Hunter Porter
Chair
New Hampshire High School Democrats

Ken Park, Jr.

Raising taxes is grand theft! A tax hike during a recession more so is Government trying to steal from the citizens with vices. Seriously you ALL should be fired!

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 531-FN

BILL TITLE: relative to the taxation of tobacco and nicotine products.

DATE: February 2, 2023

LOB ROOM: 302-304

MOTIONS: INEXPEDIENT TO LEGISLATE

Moved by Rep. Beaulieu Seconded by Rep. Vincent Vote: 15-5

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Jane Beaulieu, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/5/2023 1:24:24 PM
Roll Call Committee Registers Report

2023 SESSION

Commerce and Consumer Affairs

Bill #: 531 **Motion:** ITL **AM #:** _____ **Exec Session Date:** 2-2-23

Members	YEAS	Nays	NV
Hunt, John B. Chairman	✓		
Ammon, Keith Michael Vice Chairman	✓		
Osborne, Jason M.	✓		
Potucek, John M.	✓		
Terry, Paul A	✓		
Post, Lisa C.M.	✓		
Cole, Brian D	✓		
Porcelli, Susan M	✓		
Thackston, Dick H	✓		
Walsh, Lilli M	✓		
Burroughs, Anita D.		✓	
Herbert, Christopher J.	✓		
Beaulieu, Jane E. Clerk	✓		
McAleer, Chris R.		✓	
Vincent, Kenneth S.	✓		
Calabro, Karen E	✓		
Filiault, Shaun M		✓	
Gibbs, Merryl		✓	
Spier, Carry		✓	
Sullivan, Jared	✓		
TOTAL VOTE:	15	5	