

Oppose HB7225 80% Vape Tax

Tuesday, March 5, 2024

Good afternoon, Chairman and members of the Committee; my name is Lisa Ciarlone. I represent my small business, Vaporetti, a vapor specialty located in East Providence that has been in business since 2011. I quit my 27-year smoking habit with vaping 16 years ago. I started my business because wanted to help other smokers like me who could not quit with the traditional FDA approved methods and wanted to share the technology with all smokers to let them know that there was another option.

I am here today to urge you to oppose this legislation. This legislation is a trojan horse. The governor may think this legislation will generate revenue from taxing vape products the same way as cigarettes, but this is not the case, especially in a tiny state like RI.

Rhode Island Vape Shops generated over 13 million dollars in tax revenue last year. If this legislation passes, the state will lose this tax revenue because it will put vape shops out of business. Sale tax revenue will leave the state or to black market dealers.

Massachusetts lost over 116,000 million in tax revenue after its 75% tax and flavor ban. It does not include sales tax or enforcement costs.

Also, the floor tax is another nail in the coffin for small business owners. Having to pay 80% of all of our existing inventory by October is insane. People are struggling to make ends meet with the current climate of the economy and can barely afford basic needs.

It will punish already struggling communities – including those who have quit smoking using reduced-harm products.

New research commissioned by the Center for Black Equity, which opposed the federal vape tax, details significant harm reduction and health equity benefits of e-cigarette use, particularly for Black and LGBTQ+ communities who smoke and suffer from cancer at disproportionately high rates.

Sin taxes are typically implemented to deter one from using harmful products. Adults are using vape products to refrain from smoking cigarettes, that is the most the deadliest product on the planet, so why would we want to deter them from using a far less harmful product?

Oppose Codifying the Flavor Ban Executive Order

Governor Raimondo passed an executive order to ban all flavored store-bought vape products in light of the 2019 lung illnesses crisis, that was later found to be from illicit black market THC

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cartridges that were tainted with vitamin acetate. Store-bought nicotine vape products that have been on the market since 2006 were found not to be the cause of these lung illnesses.

Vape businesses were the ones who were punished for the actions of these criminals. Since then, Marijuana has been legalized, and there is even an exception for the dispensaries to sell flavors. Where is the amendment for the vape specialty stores?

Since 2019 the legal age to buy vape product was raised to 21 federally, the youth vaping rate has dropped considerably but we must still work hard at keeping vape products out of the hands of minors.

The national youth vaping rate for Middle and High school students is now 1.9% of youth vaping daily, 2.7% used a vape product at least once in 20 days, 7.7% used a vape product once in 30 days, and the great news is youth is the youth smoking rate is at an all-time low. So, are we going to ban flavor vape for adults because 1.9% of youth are vaping daily? Especially when flavors are available in Marijuana and alcohol, and kids unfortunately get their hands on those products.

When the Governor legalized and ended the Prohibition of Marijuana, the Governor stated in his own words, "Cannabis prohibition has been a failed policy for decades." "The reality is that prohibition does not stop cannabis use since Rhode Islanders can already access cannabis just across the state border or on the illicit market."

Prohibition only benefits criminals, endangers people's lives, and creates a dangerous illicit black market, costing the state millions in untaxed revenue.

Unfortunately, over 1800 Rhode Islanders die every year from smoking-related diseases, and about 500 die each year from drug overdoses. Governor McKee has done a remarkable job of supporting harm reduction when it comes to the Fentanyl and Opiate crisis by opening an overdose Prevention Centers center for people to use illegal drugs in a safe environment without legal ramifications.

While offering addiction services to those who need them, which is a step in the right direction for harm reduction and will save many lives.

Adult smokers use vapor products as a tool to refrain from smoking cigarettes, which is the leading cause of preventable death not only in Rhode Island but across the globe.

Rhode Island took notes from across the pond on harm reduction from Public Health England (PHE) regarding its addiction center research.

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PHE promotes vaping as a harm reduction tool to quit smoking, that that vaping is 95% safer than smoking and carries a small fraction of the risk of smoking.

The Royal College of Physicians explicitly tells doctors to promote e-cigarettes as widely as possible to people trying to quit.

Why is one addiction any different than the other, especially when the smoking mortality rate is much higher?

Where is the robust focus on the adult smokers who are suffering now and will die before their time because they have not been given any consideration?

What is a person's life worth?' is it the projected tax dollars, or is it worth taking some extraordinary actions to ensure that adults still have access to vape products, so they do not have to die from smoking?

I urge the Governor and Legislators to please meet with stakeholders before passing this legislation to work out a better solution that does not send tax revenue out of state or shut down small businesses and jobs. It will also make cigarettes the more affordable option to get nicotine for those who rely on vape products to not smoke.

Respectfully,

**Lisa Ciarlone
Lobbyist and Small Business Owner**

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