



February 3, 2026

Testimony on HB7127: AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2027

Dear Chairs and Members of the House Committee on Finance,

As a consumer advocacy group that fights for lifestyle freedom, innovative technologies, and smart policy, we appreciate this committee's willingness to hear public comment on such important issues, but are concerned with the unintended consequences that Rhode Island will face if **HB127** is implemented and are therefore **opposed** to the bill..

While increasing the tax on packs of combustible cigarettes from \$4.75 to \$5.25 may be a well-intentioned effort to decrease the smoking rates and reduce smoking-related illnesses and deaths, it's important to consider other evidence-based policies that may be more effective in achieving that outcome.

A key concern we have is how a tax increase could embolden the illicit market. When restrictive policies are enacted, it doesn't necessarily change consumer preference for products, but rather shifts where consumers purchase those products. If the legal, regulated market becomes too expensive, then consumers typically shift towards the illicit market to find their desired products at lower prices. This presents a variety of concerns including the potential lack of product quality standards, ease for non-adult consumers to purchase these illicit products as age-verifications are not prioritized, loss in sales for small local businesses like convenience stores, and a loss in tax revenue for the state as legal sales decrease.

A better path forward would be to embrace evidence-based policies that effectively reduce smoking-related illnesses and deaths while keeping tobacco and nicotine products within the legal market. Sweden is a great example as to how smart nicotine policies reduce smoking related deaths and illnesses. They kept taxes low on nicotine alternatives, while also allowing a full range of flavors for adult consumers. As a result, Sweden has reduced its smoking rates two times faster than any other country in the European Union and smoking rates have declined by 55% in the last decade. Additionally, smoking-related deaths are 22% lower in Sweden than the European Union average and cancer incidence is 41% lower than in the rest of Europe, with total deaths from cancer being 38% lower. These types of policies have put Sweden on track to become the first smoke-free country.

New Zealand has also embraced groundbreaking evidence-based regulation of alternatives to combustible tobacco which was supplemented by a government-led mass media campaign called 'Vape To Quit Strong' and included an informational website aimed to 'support smokers to switch to regulated products that are less harmful than smoking.' The result of this campaign was an incredible drop in smoking prevalence from 16.4% to 6.8% between 2011 and 2023.

The Food and Drug Administration has authorized 26 different oral nicotine pouch products and 39 e-cigarette/vapor products as they found these products were "appropriate for the protection of public health". These authorizations are based on data showing that benefits,



such as assisting with smoking cessation, outweigh potential risks, including youth initiation, in accordance with the 2009 Family Smoking Prevention and Tobacco Control Act.

Considering that [1,100](#) Rhode Island residents tragically lose their lives to smoking related illnesses every year, the state should embrace policies that incentivize adults who smoke combustible tobacco to switch to less harmful nicotine alternatives. This could also help reduce the \$233 million in annual Medicaid costs caused by smoking in the state, and help reduce the \$1,198 annual tax burden per household for smoking-caused government expenditures. Implementing a higher tax might on combustible cigarettes may seem like an easy short-term solution to increase revenue for the state, however this will backfire in the long run as smoking-related healthcare costs will continue to rise unless smarter policies incentivizing consumers to switch to less harmful nicotine alternatives are put into effect.

It's crucial that nicotine alternatives that are less harmful than combustible tobacco, such as oral nicotine pouches and e-cigarettes, are available to adult consumers at competitive prices. Embracing legislation to ensure a variety of products are available on market, in differing flavors and nicotine strengths, and with little to no taxes, will help incentivize current individuals who smoke to move away from combustible tobacco and minimize their risk.

While this bill may be well-intentioned, the proposed tax increase on combustible cigarettes is misguided as consumers will be incentivized to turn to the illicit market for purchases which would exacerbate negative public health outcomes in Rhode Island.

Our policies must be fair, just, and based on scientific evidence. I believe this body, composed of diverse legislators from the entire state, can help make that determination for the residents who depend on you to protect their consumer choice. **We urge you to vote against HB7127.**

Thank you for your consideration on this matter.

Respectfully,

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