

# STATE OF RHODE ISLAND



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April 9, 2026

The Honorable Marvin L. Abney, Chair  
House Committee on Finance  
State House  
Providence, RI 02903

## **RE: 2026 — H 7804 — An Act Relating to Taxation – Cigarette, Other Tobacco Products, and Electronic Nicotine-Delivery System Products**

Dear Chair Abney:

Please accept this letter concerning H 7804, which proposes a 75% reduction in the cigarette tax rate for modified risk tobacco products as defined under federal law.

Nearly all tobacco product use begins in adolescence.<sup>1</sup> Lower prices on tobacco products are proven to drive higher initiation and use among young people, who are up to three times more price-sensitive than adults. A 10% price increase can reduce youth smoking prevalence by 5% or more, while price drops like the one proposed here would have the opposite effect,<sup>2</sup> potentially leading to greater youth uptake despite marketing claims of reduced harm and reversing decades of progress in tobacco control.

People with behavioral health issues are twice as likely to smoke and die 15 years earlier than non-smokers without these issues, accounting for over 200,000 of the 520,000 annual tobacco-related deaths in the United States.<sup>3</sup> Many use nicotine to self-medicate symptoms of anxiety, depression, and stress, creating a vicious cycle where cheaper access worsens addiction, morbidity from cancer, lung disease, and cardiovascular issues, and premature mortality, placing an unsustainable burden on the state's healthcare system.

Rhode Island's FY 2026 budget includes nicotine pouches under "other tobacco products," subjecting them to an 80% tax on the wholesale cost of the product. From 2023 to 2025, pouch sales in Rhode Island rose from \$522,900 to \$2,300,000 per month.<sup>4</sup> This represents tens of millions of dollars in revenue that the state would have captured had the tax been effective during this period. By contrast, H 7804's proposed 75% reduction in the cigarette tax rate for these products would unmoor the tax from the product and would make them significantly cheaper when public health demands high prices to deter consumption.

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<sup>1</sup> Ahmed Jamal et al., "[Tobacco Product Use Among Middle and High School Students — National Youth Tobacco Survey, United States, 2024.](#)" *MMWR Morbidity and Mortality Weekly Report* 73, no. 41 (2024): 917-924.

<sup>2</sup> Campaign for Tobacco-Free Kids, "[Raising Cigarette Taxes Reduces Smoking, Especially among Kids \(and the Cigarette Companies Know It\).](#)" December 23, 2025.

<sup>3</sup> Jamie Tam et al., "[Smoking and the Reduced Life Expectancy of Individuals With Serious Mental Illness.](#)" *American Journal of Preventative Medicine* 51, no. 6 (2016): 958-966.

<sup>4</sup> CDC Foundation, "[Monitoring Sales: Nicotine Pouch Trends.](#)" October 2025.

I urge the Honorable Members of this Committee to not recommend passage of this legislation to protect public health, particularly the health and well-being of vulnerable youth and individuals with behavioral health disorders.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Leclerc".

Richard Leclerc  
Director

cc: The Honorable Members of the House Committee on Finance  
The Honorable Justine Caldwell  
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House  
Lynne Urbani, Director of House Policy