

Consumer Choice Center Testimony: H8188

Dear Rhode Island House Finance Committee,

As an independent consumer advocacy group that supports innovation and lifestyle freedom, we support H8188. Classifying any non-combustible product that contains nicotine but no tobacco leaf as an 'alternative nicotine product' and implementing a \$2 tax per container with up to 20 units recognizes the reduction in harm these alternative products provide compared to combustible tobacco products and therefore is a better path forward to protect public health within Rhode Island.

In 2025, Rhode Island implemented an 80% excise tax on the wholesale price of alternative nicotine products, one of the highest within the entirety of the country. As a result, sales within the state decreased while sales in counties surrounding the state increased, signaling that the high tax rate didn't deter consumers from purchasing these products, it simply shifted where consumers were purchasing these products from. While legislators might have intended that the 80% tax would boost revenue for the state, with sales shifting to outside of Rhode Island's borders it's likely the state actually lost any intended tax revenue from these products.

H8188 helps acknowledge the reduced risk of alternative nicotine products over combustible tobacco and would help course-correct the 80% excise tax from 2025 and financially incentivize consumers to move away from traditional cigarettes, effectively improving public health and in turn reducing the state government's financial burden associated with smoking-related healthcare costs. Implementing policies that embrace reduced-risk, innovative nicotine alternatives over combustible tobacco products could help pave the way for Rhode Island to become the public health leader for other states to follow.

The negative economic [impacts](#) of combustible cigarettes in Rhode Island are also worth looking into. The annual health care costs in the state directly caused by smoking is more than \$744 million, with over \$233 million of that in Medicaid expenses alone. This is resulting in a tax burden of \$1,198 per household, but if adults who currently smoke combustible cigarettes are financially incentivized to switch to less harmful alternatives, then not only would this help reduce the tax burden on households, but it would also save lives.

By implementing a lower excise tax rate on alternative nicotine products, this bill not only promotes consumer choice but also provides a financial incentive for those who smoke to transition to less harmful alternatives. This risk-based taxation model offers a far more rational and equitable approach and as the financial toll of combustible tobacco remains steep in Rhode Island, this could significantly reduce those burdens while simultaneously improving public health throughout the state.

For example, similar to H8188, Sweden [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](#). With legislation like this, Rhode Island could be heading in the same direction.

We respectfully encourage you to consider supporting H8188 and continue to pave the way for more evidence-based policies to prevail.

Thank you for your time and consideration on this matter.

Respectfully,

Elizabeth Hayes
Head of External Affairs