

Konrad Jackson

From: sethpayer@yahoo.com
Sent: Sunday, February 14, 2016 7:16 PM
To: Rep. Kurt Olson
Subject: Please oppose dangerous taxes on vapor products in Alaska (SB133, HB304)!

Seth Payfer
905 Auk St
Kenai, AK 99611

February 14, 2016

The Honorable Kurt Olson
120 4th Street
Juneau, AK 99801

Dear Representative Olson,

I am writing as a voter and taxpayer urging you to oppose Gov. Walker's proposed budget, as well as SB 133 and HB 304, each of which would subject vapor products (e-cigarettes) to a new and unjustified 100% wholesale tax. This bill also proposes an unjustifiably punitive tax hike on other smokeless tobacco products to which I am opposed. E-cigarettes and other smoke-free products are an incredibly low-risk alternative to smoking, and imposing an extra tax on these potentially life-saving products would work against the interests of genuine public health and small businesses trying to grow in Alaska. Other governments are taking exactly the opposite approach; Public Health England (the government public health agency) recently explicitly endorsed a policy of encouraging smokers to switch to e-cigarettes and vapor products.

Subjecting smoke-free vapor products to an extra sin tax and other punitive regulations that are designed to discourage smoking is grossly inappropriate. Enacting taxes on low-risk vapor products will actually create barriers for adults to quit smoking, something that is indefensible from a public health standpoint. Increasing their purchase price will only serve to encourage Alaska's 100,000+ adult smokers to continue smoking instead of making the switch to a product that is estimated to be 99% less hazardous than cigarettes.

This tax will have the largest negative impact on small businesses and consumers; not Big Tobacco. Vapor retail specialty stores across Alaska do not sell products made by cigarette companies. This is an industry that is controlled by small- and medium-sized businesses. A tax of this sort is so large that independent companies in Alaska would likely shut down, as consumers will purchase through grey market, untaxed sources like the internet. While this measure is designed to bring in revenue to the State of Alaska, the end result will likely be less jobs, less tax revenue, and less access to low-risk vapor products, all of which will result in more smokers deciding not to quit.

While smoking is widely known to pose significant and potentially devastating health risks, each year only approximately 3% of smokers will successfully quit. Innovative products that further the public health goal of reducing smoking should be promoted. There is overwhelming evidence, ranging from systematic studies to thousands of detailed testimonials (testimonials.casaa.org), showing that e-cigarettes and smokeless tobacco products like snus help many smokers quit or reduce their smoking habit, even after they have unsuccessfully tried every other method.

I along with my fellow members of The Consumer Advocates for Smoke-free Alternatives Association (CASAA) implore you to resist calls for over-regulation and taxation from misguided activists that seek to impede adult access to far less

hazardous alternatives to smoking. I look forward to your response on this issue and I am available for any questions you might have.

Sincerely,
Seth Payfer