



February 15, 2021

Members of the Alaska Senate Committee on Labor & Commerce
From: Americans for Tax Reform

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across Alaska, I urge you to reject Senate Bill 45, **misguided legislation that would slap taxes on lifesaving reduced risk tobacco alternatives such as electronic cigarettes. If enacted, this anti-science bill would have a disastrous impact on businesses and public health throughout the state and lead to an increase in tobacco-related deaths.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. **Seventy-two percent of smokers are from low-income communities. A tax increase on these people trying to use these safer alternatives to quit will put unnecessary hardship on families already struggling to make ends meet.**

Rather than repeating the failed policies of the past and further punishing low-income smokers unable to quit, the Alaska Legislature should embrace new methods that are proven to help reduce smoking rates and facilitate smokers quitting through reduced risk tobacco alternatives such as e-cigarettes. These mimic the habitual nature of smoking but deliver nicotine through water vapor. The absence of “smoke” leads to the lack of the carcinogens created through tobacco combustion. **Studies have proven that vaping to be 95% safer than combustible cigarettes, while at least twice as effective as more traditional nicotine replacement therapies.**

The adverse effects of smoking combustible tobacco come not from the nicotine, a relatively benign yet highly addictive substance like caffeine, but rather the chemicals produced during the combustion process – people smoke for the nicotine but die from the tar. Scientific data clearly shows that the blood levels typically achieved by consuming nicotine via harm reduction products **“does not result in clinically significant short- or long-term harms.”** This harm-reduction is why smokers have been using nicotine replacement therapies (NRT) for decades without incident. For this reason, over 30 of the [world’s leading public health organizations](#) have endorsed nicotine vaping as safer than smoking and an effective way to help smokers quit. This list includes Cancer Research UK; the British Medical Association; the British Lung Foundation; the New Zealand Minister of Health; the US National Academies of Sciences, Engineering, and Medicine; the American Association of Public Health Physicians; the Royal Australian College of Physicians; the French National Academy of Pharmacy; and the German Federal Institute for Risk Assessment.

Taxing safer products at an equal rate as cigarettes and other tobacco products will drive people to more deadly alternatives. It goes against every principle of sound public or health policy. As the price of a product increases, its use likely decreases. The same occurs with taxes on vaping, which have proven to increase smoking rates as people shift back to deadly combustible cigarettes.

Minnesota is serving as a case study on this already. The National Bureau of Economic Research determined that its tax on vaping products prevented 32,400 additional adult smokers from quitting smoking.

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Extrapolating from a large-scale analysis by the US's leading cancer researchers and coordinated by Georgetown University Medical Centre, **if a majority of smokers in the state of Alaska made the switch to vaping, it would save over 13,000 lives.** In seeking to tax these lifesaving products, these bills place these lives in jeopardy. **Small increases in projected revenue should never come at the expense of human lives – and make no mistake, if the legislature enacts this bill, it will cost lives.**

It is also vital to note that implementing such a high tax rate on vaping products will undoubtedly create a black market for such products. Multi-million-dollar organized crime syndicates run complex tobacco smuggling operations. **These networks also engage in human trafficking, money laundering, and have been used to fund terrorists. Even the US State Department has noted that tobacco smuggling is a “[threat to national security](#)”.**

It is also worth noting that paradoxically these bans may therefore increase youth smoking in Alaska. By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at reputable outlets.

We would also like to draw the committee's attention to other aspects of SB 45, such as the prohibition on online or remote sales, would significantly reduce one's access to these lifesaving products should they reside in rural and remote areas of the state. **If enacted, these persons, often in lower socioeconomic demographics and at the highest risk of smoking related mortality, would have no choice but to continue smoking combustible tobacco.**

In the interests of public health, preventing a boon in criminal activity, and protecting the most vulnerable in society from financial hardship at a time they can least afford it, we call upon the Committee to accept the science and vote against SB 45. Tens of thousands of lives depend upon it.

Sincerely,

Ben Rajadurai
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Americans for Tax Reform