

March 3, 2025

To: Members of the Alaska Senate Labor and Commerce Committee
From: Americans for Tax Reform
Re: **Oppose SB 24**

Dear Senator,

Few would deny the fact that cigarettes are deadly. They give you cancer. They fill your lungs with tar. They're riddled with toxic carcinogens. And smoking cigarettes remains the leading cause of preventable death in the United States, killing 400,000 Americans every year.

Thanks to robust scientific research and effective informational campaigns, these facts are now universally acknowledged. But for many up-and-coming activist groups, smoking cessation isn't enough. Their vigorous and well-funded efforts have just one overarching goal: to discourage, ban, and tax out of existence an entire class of innovative new products – one that just so happens to be the most effective smoking cessation product known to man.

These products are vaping devices (or e-cigarettes), and this committee will soon hear a bill that proposes a brand-new 25% tax on their sale price. Before agreeing to such a radical change in the affordability of these products, I urge you to consider the tradeoffs involved with imposing this new financial burden on thousands of adults who rely on these products to stay away from cigarettes.

This bill intends to place vapor products into the same category of harm as cigars, snuff, dip, and other tobacco products. Fundamentally, by subjecting vapes to the tobacco tax – a “sin tax” intentionally designed to discourage widespread use – one must assume that tobacco and e-liquids inflict a similar level of harm upon the people of Alaska and their quality of life.

Nothing could be farther from the truth. Vapor devices are of a completely different nature than tobacco products, especially cigarettes, and as a result come with far fewer safety and health risks. This has enormous implications for any policy intended to maximize public health in Alaska.

Vapor products are akin to tobacco products in just one way: their nicotine content. In fact, a growing number of vapor products no longer contain any nicotine that is derived from the tobacco leaf. Thanks to years of innovation and technological advancement in the market for e-cigarettes, most “e-liquids” now use synthetic nicotine created in a laboratory. As this final link to tobacco is rapidly eroded, there is no longer any good reason to treat e-cigarettes and tobacco as fundamentally equivalent products.

One might contend that an e-cigarette is still just another nicotine delivery device. **But nicotine itself is not the reason why smoking is so dangerous, nor why our society discourages the use of cigarettes and tobacco.** When we beg our loved ones to kick their habit of smoking a pack a day, we do it because those cigarettes are full of chemicals that cause a whole host of life-altering illnesses. We do it out of a valid concern for their health – to keep them out of chemotherapy – to make their lives vibrant, healthy, and disease-free for many more years to come.

Any addiction, including nicotine dependency, is not ideal. But for the 15% of adults in Alaska who are hooked on deadly cigarettes, their mere reliance on nicotine is the least of their concerns. In a world where more than three-quarters of smokers [wish they could quit](#), our laws should give them every opportunity to do so.

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org



AMERICANS for TAX REFORM

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org

Herein lies the true beauty of vapor products. At long last, adult smokers have an opportunity to switch to a safer, better nicotine delivery system – one that mirrors their usual habit of smoking cigarettes, gets rid of the pervasive stench of tobacco, and is unequivocally better for their health.

Just as we know that cigarettes kill 400,000 people every year, we also know that vapes are 95% safer. That number comes from a comprehensive [analysis](#) conducted by Public Health England – *a literal government agency* – and is part of the reason why British doctors are set to begin [prescribing](#) vapes to adult smokers as a medical product.

We also know that vapes are by far the most effective way for adult smokers to quit. In just one year, over 50,000 British smokers – *who would have continued smoking otherwise* – were able to [kick](#) their habit by switching to vapes. Well-known medical publications like the Cochrane Review have concluded with high certainty evidence that e-cigs are more effective than alternatives like nicotine patches, gums, or sprays. Intuitively, this makes sense, since the physical act of vaping mimics smoking a cigarette, making the habit that much easier to break.

These tremendous health benefits, cited in countless medical studies and leading publications, are the reason why over 100 public health organizations around the world have [endorsed](#) vaping as safer than smoking and an effective treatment to help smokers quit.

At the root of this 25% tax is a significant tradeoff. On one hand, allowing vapor devices to remain affordable maximizes the ability of tens of thousands of smokers to switch to vapes, saving them from cancer and a shortened lifespan. **Since 3/4 of smokers are from low-income communities, affordability is an especially important concern.**

On the other hand, high schoolers and others who are under 21 may have a harder time getting their hands on vapor products when they are highly taxed. Many proponents of this bill are likely familiar with the myriad public health benefits of keeping vapor products affordable and accessible. But they will continue to support high taxes, restrictions, and even outright bans, all in the name of protecting our youth from developing a nicotine addiction.

To address this tradeoff, we must ask: Is there truly a “youth vaping epidemic” plaguing our nation? Would a 25% tax help solve the problem? And do vapes pose a threat to our children that is severe enough to make these products unaffordable for thousands of current and former cigarette smokers? The answer to all of these questions is no.

1. Is there truly a “youth vaping epidemic” plaguing our nation?

There is no youth vaping epidemic, and such assertions rely on flawed data. CDC [data](#) shows that only 3.1% of high schoolers use e-cigarettes *on a daily basis*. Commonly cited surveys that ask about e-cigarette use *in the last 30 days* give a higher percentage, but this reveals absolutely nothing about actual nicotine addiction among our youth. Unfortunately, the latter statistics are the only ones that most people ever hear.

On top of that, the National Youth Tobacco Survey found that there has been no increase in nicotine dependency among youths since flavored vapes first entered the market in 2003.

2. Would a 25% tax help solve the problem?

Higher prices (through higher taxes) have little impact on the ability of underage consumers to acquire a vape. Naturally, on the other hand, higher vape prices are proven to increase cigarette smoking rates among youth, just as they contribute to a higher *adult* smoking rate. A recent [study](#) from

Georgia State University researcher Dr. Michael Pesko and other researchers determined that e-cigarette taxes lead to “sizable” increases in cigarette smoking among youth.

3. Do vapes pose a threat to our children that is severe enough to make these products unaffordable for thousands of current and former cigarette smokers?

Vaping is not one hundred percent free of risk, and addiction is the last thing we want for our children. But with only 3 out of 100 high schoolers using these products daily – a requirement for any true addict – and a product that is 95% safer than the cigarettes we know to be deadly, we should be celebrating historic lows in the youth cigarette smoking rate, not imposing heavy new taxes on a product so crucial to maintaining that decline and ultimately saving smokers’ lives.

Not one person has ever died, or even suffered an injury, from using an e-cigarette. A widely publicized spate of hospitalizations, known to the media as “vaping related illnesses,” in reality had nothing to do with the nicotine products that this bill would tax. This [outbreak](#), which only affected around 3,000 people, was caused by illegal marijuana concentrates sold on the black market, which were contaminated with vitamin E.

High taxes would allow a similar black market to flourish in Alaska’s vaping industry. Making products unaffordable tends to drive people across borders or to illegal smuggling operations, typically controlled by an organized crime syndicate. While Alaska small businesses require identification proving their customers are over 21, criminals have no such boundaries, nor any incentive to sell products that are safe and above board. Meanwhile, those taxes do inflict a great deal of harm on the legal economy, especially convenience stores, which rely on nicotine sales for most of their revenue.

Sacrificing the ability of thousands of low-income smokers to afford the transition to vapes is no minor tradeoff. In the interest of public health, and for the benefit of all Alaskan smokers desperately searching for a way to quit, **I urge you to vote against new taxes and oppose SB 24.** Tens of thousands of lives quite literally depend upon it.

Sincerely,

Dennis Hull
State Affairs Manager
Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.atr.org