

Good Evening Madame Chair and members of the Senate Labor and commerce committee. My name is Ang Carroll and I reside in Wasilla.

I am speaking on behalf of over 14 vape shops throughout Alaska who are members of the Smoke Free Alternative Trade Association. Our organization employs over 50 Alaskans in an industry we believe provides products that have shown promise to an alternative to smoking. Please refer to your committee packet for reports from the likes of the Mayo Clinic and England Public Health about these vapor products benefits to adults who are addicted to cigarettes.

Senate Bill 133 proposes to include a tax on Vapor Products at 100% of the wholesale price of the product, which would bring our industry from a 0% to 100% tax rate overnight. Please keep in mind that to provide these vapor products there is an upfront cost to the consumer that can be as much as \$100 and with the newly imposed tax these products could cost as much as \$200.

This is a huge price increase for the end consumer to buy this alternative to smoking. By comparison, a cheap and easily obtainable combustible cigarette, would become the alternative to using a vapor product. SB 133 will deter a current smoker from switching to a vapor product.

The members of the Smoke Free Alternative Trade Association anticipate that this proposed tax will drive people either back to combustible cigarettes or they will turn to the internet to purchase the vapor products at reduced tax rates rather than buying them from local Mom and Pop vape stores. This would not be good for the Alaskan economy or for the hard working Alaskans who provide this alternative to smoking here in Alaska.

For these two reasons, we believe this proposed tax will eliminate the vape industry here in Alaska. These men and women are small business owners. They are NOT big tobacco. Most have sunk their life savings into funding their dream of helping people kick the big tobacco habit by offering a reasonable alternative product. If this tax is imposed on Vapor products, the failures will be twofold. Financially from local businesses closing and health wise.

The Smoke Free Alternative Trade Association requests that SB 133 be amended to remove all reference to vapor products from the bill. If this legislation passes as written our small Association will become yet another victim of Taxation gone wild.

Thank you for taking the time this evening to listen to Alaskans about this proposed legislation