

# REPRESENTATIVE SARA HANNAN

## ALASKA STATE LEGISLATURE

Alaska State Capitol  
120 4<sup>th</sup> Street  
Juneau, AK 99801  
Office (907) 465-4766  
Toll Free (877) 465-4766  
Rep.Sara.Hannan@akleg.gov



House District 33  
Downtown Juneau  
Thane, Lemon Creek  
Douglas Island, Gustavus  
Excursion Inlet, Skagway  
Haines, Klukwan

### Sponsor Statement

#### HB 94 – Electronic Smoking Products Excise Tax

House Bill 94 would enact an excise tax on electronic smoking products.

Use of E-cigarettes, commonly known as vaping, is booming in the United States, most troublingly among young people.

Between 2017 and 2018, the Center of Disease Control's National Youth Tobacco Survey saw a 78-percent increase in use of E-cigarettes by high school students—from just below 12 percent to nearly 21 percent. Nationwide, 80 percent of high school students do not perceive a great risk from using e-cigarettes regularly. However, according to the Truth Initiative—the nation's largest nonprofit public health organization committed to ending tobacco use—teens who vape are four times more likely to start smoking conventional cigarettes.

Despite claims that e-cigarettes help adults quit smoking or offer adults a safer alternative to smoking, E-cigarettes have not been found by the Food and Drug Administration (FDA) to be effective in helping smokers actually quit, and neither is there evidence that they are safer. Almost all e-cigarettes contain some amount of addictive nicotine, and some contain as much nicotine as a pack of cigarettes.

Meanwhile, tobacco taxes are proven to reduce youth tobacco use, resulting in fewer kids becoming life-long smokers, and thus ultimately reducing healthcare costs. In addition to deterring kids from beginning to use these products, tobacco taxes measurably encourage adults who want to quit to do so.

Cigarettes and Other Tobacco Products (OTP) in Alaska are taxed at 75% of the wholesale price. HB 94 proposes to add electronic smoking products to the OTP definition and in turn to tax them at the current rate of 75% of the wholesale price.

Thank you for considering this legislation.