

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 19, 2016

3:16 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Shelley Hughes, Vice Chair
Representative Gabrielle LeDoux
Representative Cathy Tilton
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Jim Colver
Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 304

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the taxes on cigarettes and tobacco products; taxing electronic smoking products; adding a definition of 'electronic smoking product'; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 304

SHORT TITLE: ELECTRNC TAX RETURNS;TOBACCO & E-CIGS TAX

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/08/16	(H)	READ THE FIRST TIME - REFERRALS
02/08/16	(H)	L&C, FIN
02/19/16	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

KEN ALPER, Director
Tax Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation entitled, "Cigarette and Tobacco Products Taxes HB304" and answered questions.

BRANDON SPANOS, Deputy Director
Tax Division
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 304.

JAY BUTLER, M.D., Chief Medical Officer
Office of the Commissioner; Director
Division of Public Health
Department of Health and Social Services
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 304.

ACTION NARRATIVE

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CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Olson, Hughes, Kito, Tilton, and LeDoux were present at the call to order. Representative Josephson arrived as the meeting was in progress.

HB 304-ELECTRNC TAX RETURNS;TOBACCO & E-CIGS TAX

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CHAIR OLSON announced that the only order of business would be HOUSE BILL NO. 304, "An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the taxes on cigarettes and tobacco products; taxing electronic smoking products; adding a definition of 'electronic smoking product'; and providing for an effective date."

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KEN ALPER, Director, Tax Division, Department of Revenue, provided a PowerPoint presentation entitled, "Cigarette and Tobacco Products Taxes HB304." He informed the committee HB 304 is the governor's tobacco tax bill related to cigarette and tobacco products, electronic tax return filing, and taxing

electronic cigarettes, which are currently exempt from Alaska's tobacco tax regime [slide 2].

CHAIR OLSON questioned whether only electronic cigarettes (e-cigarettes) containing nicotine would be taxed.

MR. ALPER said all e-cigarettes would be taxed, except those containing a marijuana product - which would be taxed elsewhere - or unless they are declared by the U.S. Food and Drug Administration (FDA), U.S. Department of Health and Human Services, to be a tobacco cessation product, which are also exempt. Tobacco has been taxed in Alaska beginning in 1949, with one tax on cigarettes and another on other tobacco products. The tax on other tobacco products was repealed for 33 years and reinstated in 1988, at 25 percent of the wholesale price [slide 3]. In 1999, taxes on other tobacco products was raised to 75 percent of the wholesale price. Mr. Alper clarified that revenue from the other tobacco products tax is general fund (GF) revenue. There are two separate taxes on cigarettes: a base tax of \$0.038 per cigarette, which is designated to the School Fund, DOR, and an additional tax of \$0.062 per cigarette, of which 8.9 percent goes to the Tobacco Use Education and Cessation Fund, and the remainder goes to unrestricted GF [slide 4]. The bill proposes to increase the additional tax from \$0.062 to \$0.112 per cigarette; the previous taxes totaled \$0.10 per cigarette, thus with the addition, the two taxes would total \$0.15 per cigarette, or an increase from \$2 per pack to \$3 per pack. The increase to the additional tax instead of to the base tax means 91 percent of the new revenue would go to GF. The bill also proposes to increase the tax on other tobacco products from 75 percent to 100 percent of wholesale value [slide 5]. Furthermore, HB 304 adds e-cigarettes to the tax on other tobacco products. Mr. Alper explained that the current definition of other tobacco products does not encompass e-cigarettes; therefore, the bill adds a new definition of electronic products, clarifies the definition of wholesale price of a tobacco product or electronic smoking device, and requires electronic filing [slide 6]. Currently, Alaska's tobacco taxes are higher than the U.S. average: cigarettes are taxed at the eleventh highest rate of fifty states, and other tobacco products may be at the eighth highest percentage, thus HB 304 would rank Alaska's tax rates the fifth highest on cigarettes, and the highest on other tobacco products [slide 7].

CHAIR OLSON recalled that in the State of New York, tobacco taxes were raised \$1 per pack, and revenue declined because consumers purchased cigarettes out of state.

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MR. ALPER suggested consumers may purchase products elsewhere, or change their smoking habits. In further response to Chair Olson, he acknowledged that Alaska consumers do have cigarettes shipped by mail; however, if caught by the Tax Division, the consumer must pay the tax.

REPRESENTATIVE JOSEPHSON questioned whether the U.S. Postal Service aids the Tax Division in investigations into tax evasion.

MR. ALPER said DOR has a Criminal Investigation Unit. He deferred to the deputy director.

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BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue, said distributors are required to notify the Tax Division when shipping products into the state. However, online distributors do not provide information, and the division uses "other means" such as records of court cases in other states.

REPRESENTATIVE LEDOUX inquired as to the cost of collecting taxes from an individual who illicitly purchased "a package of cigarettes over the Internet."

MR. ALPER advised that overall the Criminal Investigation Unit, DOR, recovers more than its expenses; it also serves as a deterrent. He gave examples of efforts made by consumers to avoid tobacco taxes. Returning attention to the revenue impact of HB 304, he said the amount of new revenue estimated from the bill is \$29 million: of \$24 million raised by increasing the cigarette tax, \$2 million would go to the Tobacco Use Education and Cessation Fund and \$22 million to GF; of \$5 million raised by the increase of the other tobacco tax, all would go to GF [slide 8]. He pointed out that the expected revenue in [Fiscal Note Identifier: HB304-DHSS-CDPHP-2-18-16] shrinks in the future, because the use of tobacco in Alaska is declining.

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REPRESENTATIVE HUGHES asked whether the School Fund referred to on slide 4 can be used for any educational purpose.

MR. ALPER explained that the base tax is not raised by the bill and thus "avoids the School Fund issue." The new money would be split between GF and the Tobacco Use Education and Cessation Fund.

MR. SPANOS said he was unable to explain how the School Fund is used.

MR. ALPER said he would provide information in that regard.

MR. SPANOS, referring to Representative LeDoux's earlier question, said the Tax Division is required, under the [Master Settlement Agreement of 1998] between the state and the tobacco manufacturers, to enforce assessments or lose payments from the participating manufacturers.

REPRESENTATIVE LEDOUX restated her interest in knowing the cost versus revenue from investigations.

MR. ALPER informed the committee that the master settlement agreement garners the state a lot of money from the tobacco industry; in order to receive the settlement money, the state is required to diligently investigate untaxed cigarette use. Returning to the subject of revenue, he said the revenue estimates are based on the 2015 fall revenue forecast and do not reflect changes in behavior, such as stockpiling. Furthermore, DOR lacks data to estimate revenue from the e-cigarette portion of the bill [slide 9].

REPRESENTATIVE JOSEPHSON asked if DOR has a stance on whether e-cigarettes are safe and help wean smokers from tobacco.

MR. ALPER said DOR is silent in this regard; however, in existing language, if a substance is declared a tobacco cessation product by the federal government, such as a nicotine patch, the state does not impose a tax.

REPRESENTATIVE HUGHES expressed her understanding that in England, e-cigarettes are classified as a cessation device.

MR. ALPER pointed out that the proposed tax on e-cigarettes is increasing from zero to 100 percent, which would have a substantial impact on a new and growing industry. E-cigarettes are the subject of an ongoing debate.

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REPRESENTATIVE LEDOUX observed that the presentation does not provide analysis on whether increased taxes affect consumption, and yet indicates that there would be a slight decrease in consumption due to higher prices. She questioned this contradiction.

MR. ALPER acknowledged that slide 13 should say "potential impacts" as DOR economists are aware that taxes change behavior, although the impact is unknown. Furthermore, he noted that the state accumulates health costs associated with the consumption of tobacco, thus there may be health care savings, also unknown. In further response to Representative LeDoux he said, "We are calculating the money based upon our existing formulas and expectations of consumption ... we are aware - at a second order level of analysis - that it's likely there could be reductions in consumption, which would be hopefully more than offset by reductions in health care costs."

REPRESENTATIVE LEDOUX suggested DOR change its slides.

REPRESENTATIVE HUGHES asked whether DOR consulted health care providers prior to its decision to tax e-cigarettes; she related reports from physicians in Alaska that are concerned about the bill because e-cigarettes are useful smoking cessation aids.

MR. ALPER stated DOR consulted with the office of Dr. Jay Butler, Director, Division of Public Health, Department of Health and Social Services (DHSS). He expressed a desire to research this issue.

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REPRESENTATIVE HUGHES asked whether other states are taxing e-cigarettes.

MR. SPANOS answered yes. He added that other states are taxing through statute, or through regulation, by stating that unless a manufacturer proves that the nicotine used in a product is not derived from tobacco, it is taxed. In response to Chair Olson, he said he would provide a list of the taxing states.

REPRESENTATIVE LEDOUX questioned whether the entire kit of an e-cigarette would be taxed, noting that the kits are expensive.

MR. ALPER said Representative LeDoux's question relates to the definition of an electronic smoking product within HB 304. He explained [HB 304, Version 29-GH2106\A] does not tax the device because the intent is to tax the concentrate liquid that is smoked, which can be sold as a refill, or as a standalone product. Furthermore, the second part of the definition relates to a product that is an integrated unit. Mr. Alper described various means of taxing disposable e-cigarettes, devices, and "starter kits," which include nicotine cartridges.

REPRESENTATIVE HUGHES expressed her understanding that a 100 percent tax increase on kits would raise their cost to \$150 each.

MR. ALPER pointed out the tax is based on the wholesale value. The intent of the proposed legislation is to tax the refill product; in fact, components in a kit without a nicotine product would not be taxed.

REPRESENTATIVE HUGHES directed attention to page 5 of the bill which read [in part]:

to deliver nicotine or other substances

REPRESENTATIVE HUGHES asked whether other substances purchased for the device, but that are not nicotine, will be taxed.

MR. ALPER said it is difficult to determine whether products contain nicotine because packaging is not required to indicate ingredients. The bill intends to tax herbals and non-nicotine products that are sold to be smoked through the products, except that any marijuana which is manufactured into a concentrate in the state, will have already been taxed.

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REPRESENTATIVE LEDOUX asked how much additional tax would be collected on e-cigarettes.

MR. ALPER estimated \$2 million to \$3 million.

REPRESENTATIVE JOSEPHSON questioned whether it is possible to deliver marijuana through an e-cigarette kit.

MR. ALPER said yes, and described the process.

REPRESENTATIVE TILTON surmised DOR is taxing "out of existence" a product that is potentially better for people than smoking cigarettes.

MR. ALPER advised that the Tax Division is not making social policy, and does not desire to tax a product out of existence. The division seeks to craft a reasonable definition for how to tax a new product that exists in many forms.

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REPRESENTATIVE KITO stated that nicotine is a highly-addictive drug; in addition, it is now known that tobacco products increase the rates of cancer and heart disease. However, the effects of the long-range consumption of vapors is unknown. The U.S. Federal Drug Administration has approved nicotine cessation products, and if vapor nicotine products are also approved as cessation devices, the products will be tax-exempt. He recalled cigarette advertising targeted to children in the '50s, '60s, and '70s, and said it is important to protect children from future unknown and possibly negative impacts. Representative Kito urged for caution at this point in time.

REPRESENTATIVE LEDOUX said her experience is that the ingredients in products are labeled.

MR. SPANOS responded that capsules containing nicotine are not regulated by FDA and are not required to be labeled as such. The states that are taxing these products have found fraudulent labeling.

REPRESENTATIVE HUGHES asked whether there is a list of the other substances provided through the vaping devices; in other forms, herbs are considered to be harmless and even healthy.

MR. ALPER offered to provide a list through contact with the industry in Alaska. However, without a labeling requirement, DOR must tax all of the substances, because the nicotine content is unknown.

REPRESENTATIVE HUGHES questioned when FDA will "have more of a handle on this."

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JAY BUTLER, M.D., Chief Medical Officer, Office of the Commissioner, and Director, Division of Public Health, DHSS,

informed the committee that FDA approval of an e-cigarette product as a cessation device is dependent upon the industry submitting applications. In England, one product has been approved by England's regulatory authority as a cessation device; he acknowledged there are anecdotal reports suggesting that e-cigarettes promise a new delivery system for nicotine replacement therapy which aids those who have not been successful with other methods.

MR. ALPER reminded the committee that DOR has a new tax management system which requires reprogramming each time changes are made to the tax system. He estimated that the reprogramming would cost \$50,000 for the Tax Revenue Management System (TRMS) and the Revenue Online (ROL) system. No additional costs above a one-time implementation cost of \$50,000 is anticipated [slide 10]. In response to Chair Olson, he said the online systems were implemented about one and one-half years ago.

CHAIR OLSON asked whether changes to the systems will create problems similar to those at DHSS.

MR. ALPER said no.

REPRESENTATIVE HUGHES observed that the proposed legislation would require one to use the online system. She inquired as to why fuel taxes were exempted from required electronic filing.

MR. ALPER expressed his understanding that there is intent to revisit the issue of the motor fuel bill related to the mechanism of the waiver for those without the technical means to file online.

REPRESENTATIVE HUGHES surmised there would be the same problem with HB 304.

MR. ALPER acknowledged that the language is identical to that of AS 43.5 Administration of Revenue Laws, which is the general tax administration statute, and not specific to the tobacco tax. He restated DOR's intent to impose an electronic filing requirement in order to phase out the existing paper data processing.

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REPRESENTATIVE HUGHES asked whether DOR completed analysis on how the bill may increase smuggling and other illegal activities that may impact local businesses and communities, jobs, the law enforcement workload, and other impacts to the private sector.

MR. ALPER said there was not an economic analysis. Although there could be more illegal activity, large fines act as a deterrent. Only criminal activity on a large scale is investigated.

REPRESENTATIVE HUGHES restated her concern about the administration's failure to consider economic impact in communities and across the state.

REPRESENTATIVE TILTON questioned whether the new taxes assessed on electronic smoking devices would require additional administration costs.

MR. ALPER explained that the taxpayers largely will be the same group of distributors and wholesalers, although there may be some new vape supply businesses. At this time, the tax division expects to absorb any additional duties within its existing staff.

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REPRESENTATIVE LEDOUX said, "I think I heard you say that you're only looking at people who are doing this as a side business."

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MR. ALPER responded, "No, we're concentrating on the people who we've become aware of who're bringing in larger numbers of cartons. That's the sort of thing a 'larger number of carton person' might be doing."

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REPRESENTATIVE LEDOUX expressed her understanding that the demographics of smoking are that those in higher income brackets smoke less than those in lower income brackets.

MR. ALPER agreed. He added that HB 304 is a somewhat regressive tax.

REPRESENTATIVE TILTON commented that "the Alaska tobacco facts" stated that smoking in the lower socioeconomic status is three times the rate.

CHAIR OLSON questioned whether the implementation cost of \$50,000 applies to each tax bill or is an aggregate.

MR. ALPER clarified that the electronic filing happens once, however, each tax increase takes a team of programmers and "is a project unto itself."

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MR. ALPER presented slide 11 entitled, "Closing the Budget Gap." He advised that the fiscal year 2016 (FY16) budget was \$5.2 billion and proposed legislation related to the Alaska Permanent Fund, revenue from existing taxes and fees, and earnings on savings total over \$4.2 billion. Proposed spending reductions, reforms to oil and gas tax credits, and net priority investments total \$0.5 billion. The bill adds \$29 million in new revenue, and along with other components, reductions and new revenue, totals \$457 million. Added together reductions and new revenue balances the budget with a total of \$5,242 billion [slide 12]. Impacts of the tobacco tax proposal are: (1) more expensive to buy tobacco; (2) possible slight decrease in consumption; (3) possible stockpiling of cigarettes before tax increase [slide 13]. Mr. Alper paraphrased from the following written sectional analysis [slides 14-17] [original punctuation provided]:

Sec. 1. Adds a \$25 or 1% tax penalty for failure to file electronically unless an exemption is received by the taxpayer

Sec. 2. Requires electronic submission of tax returns, license applications, and other documents submitted to the Department of Revenue. This changes the general tax statutes, AS 43.05, and will apply to all tax types administered by the department. Provides a process to request an exemption if a taxpayer does not have the technological capability to do so.

Sec. 3. Conforming language to add electronic smoking products to the current statute allowing the department to share information with municipalities.

Sec. 4. Conforming language to reference the new definition of "electronic smoking product" in Section 13.

Sec. 5. Increases the "additional tax levy" on each cigarette from 62 mills to 112 mills.

Sec. 6. Increases the tax on tobacco products other than cigarettes from 75% of the wholesale price to 100% of the wholesale price. Adds electronic smoking products to what is taxed.

Sec. 7. Conforming language to add electronic smoking products to an existing statute referencing federal tax exemptions.

Sec. 8. Conforming language to add electronic smoking products to the license requirement.

Sec. 9. Conforming language to add electronic smoking products to the monthly tax return. Also adds new language to require electronic filing of the return.

Sec. 10. Conforming language to add electronic smoking products to the procedures for issuing tax credits and refunds.

Sec. 11. Conforming language to add electronic smoking products to the requirement to keep complete and accurate records to support the tax return.

Sec. 12. Adds language to clarify that a cessation product, tobacco dependence product or modified risk tobacco product are excluded from the definition of a tobacco product for purposes of taxation.

Sec. 13. Clarifies the definition of "wholesale price" of a tobacco product or electronic smoking product as the gross invoice price including all federal excise taxes, less any trade discounts or other reductions.

Sec. 14. Adds the definition of "electronic smoking product".

Sec. 15. Adds that the Act is applicable to tobacco products sold on or after the effective date of the Act and applies to the first monthly return submitted after the first full month after the effective date.

Sec. 16. Allows the Department of Revenue to adopt regulations necessary to implement the changes made by this Act but not before the effective date. Sec. 17. Section 16 of this Act takes effect immediately under

AS 01.10.070(c). Sec. 18. Except as provided in Sec. 16-17, effective date of July 1, 2016.

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The committee took a brief at ease.

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MR. ALPER directed attention to the fiscal note attached to HB 304, Identifier: DOR-TX-02-04-16. Shown on page 1 were estimated revenues of \$29,100 in FY17. Revenues were reduced slightly from FY18 through FY22, and he explained the reductions reflected economic modeling of reduced tobacco consumption, which is an ongoing trend. Also reflected in the fiscal note was the onetime supplemental cost of \$50,000.

REPRESENTATIVE LEDOUX questioned whether there really is a decrease in tobacco purchases, or if tobacco purchases are being made in a manner that circumvents the state's tax system.

MR. ALPER said he assumed that because national consumption trends are declining, Alaska's trend would be consistent with the national trend. He offered to investigate.

REPRESENTATIVE JOSEPHSON directed attention to a document found in the committee packet entitled, "Cigarette Taxes and Cigarette Smuggling by State, 2013," which was provided by an opponent of the proposed legislation, the Tax Foundation. Page 4 of the document was entitled, "Table 1: 2013 Cigarette Tax Rates, Smuggling Percentages, and Changes Since 2006," and he observed Alaska is ranked fourth from the bottom and New York is ranked first. He surmised that Alaska's ranking is due to its geographic location.

MR. ALPER was unsure whether the rankings were based on volume or percentage of the volume, which would incorporate other factors such as population, nearby states, and tax rates. Alaska and Hawaii do not have contiguous borders, and Hawaii also has restrictive agricultural inspection processes.

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CHAIR OLSON inquired as to how much revenue has been recovered from those who brought in cigarettes by mail during the last three to five years.

MR. SPANOS offered to research this matter.

REPRESENTATIVE HUGHES noted that the proposal is a regressive tax which would garner \$29 million, but that may hurt families by reducing the amount of money they have to spend for their children's benefit. She asked whether the administration would withdraw the bill if \$29 million in cuts were found.

MR. ALPER stated he was not in a position to say. He agreed the proposed tax is somewhat regressive, and affects a higher percentage of those in the lowest socioeconomic levels. Because tobacco has relative uniformity in price, an excise tax on alcohol is more regressive.

REPRESENTATIVE HUGHES related that research by her staff revealed that the total in salaries of executive leadership administration employees making over \$145,000 per year totals \$60 million. She restated her concern for children and families.

REPRESENTATIVE JOSEPHSON observed that parents who spend money on tobacco instead of "something productive for their children have already made the decision to sort of, go the other way."

MR. ALPER agreed.

CHAIR OLSON pointed out tobacco is an addictive product.

MR. ALPER agreed.

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DR. BUTLER stated that all are well aware of the adverse health effects of cigarette smoking; in terms of the impact of the tax on rates of smoking, smoking rates in Alaska are currently decreasing by 3.7 percent per year. Based on the experience of other states, he said he anticipates an additional decrease of 7.4 percent over a two-year period. Regarding medical expenditures related to Alaska's proportion of Medicaid spending, about 15 percent is estimated to be for diseases caused by smoking, which equals about \$6.5 million in Medicaid savings to the state. Dr. Butler advised that the state would see savings; in addition, he opined that this is a regressive tax in that those in a lower socioeconomic status have the higher rates of smoking, and there are higher rates in Western Alaska and on the North Slope. The accepted definition of an

addiction is "something, whether it's heroin or whatever, that we do to such an extent that it begins to compromise our relationships with other people and how we are able to take care of ourselves." He said the question is whether the state policy is enabling an addiction that hurts others, or is providing an additional driver to help people stop smoking. Regarding e-cigarettes, he said much is unknown; although the original concept is 50 years old, a modern e-cigarette has existed for about 10 years and its long-term effects are unknown. In England, there was a report [report not provided] that said e-cigarettes are 95 percent safer than combustible cigarettes, however, the report is not well-documented. Dr. Butler discussed the use of e-cigarettes as a cessation device. In the U.S., three other states currently tax e-cigarettes: in Minnesota, the products are taxed at 95 percent of their wholesale value; North Carolina and Louisiana tax the fluid based on either its volume or its nicotine content.

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CHAIR OLSON has read that battery-powered devices have caused fires.

DR. BUTLER cautioned that those events are rare.

REPRESENTATIVE HUGHES noted that vape use is rising among youth which may be addressed by pending legislation that restricts use by minors. Regarding the "overlap" between Medicaid and the smoker population, she inquired as to whether the state has considered "funneling the tax dollars to really direct it to the work of the state in regard to the health care of these people that ... have heart disease and lung cancer and things that are caused by the smoking."

DR. BUTLER said he was unsure of the exact proportion of Medicaid beneficiaries who smoke, but it is known that there are higher rates of cigarette smoking among Medicaid beneficiaries and among those of lower socioeconomic status; however, regarding directing tax monies specifically to the treatment of smoking-related diseases among Medicaid beneficiaries, he opined a better approach is to use tobacco tax funds as a prevention tool or for cessation activities.

REPRESENTATIVE HUGHES asked whether the portion of the tax directed for cessation is limited to school-aged residents, and is not used for adults.

DR. BUTLER expressed his belief that the School Fund goes to the Department of Education and Early Development; the Tobacco Use Education and Cessation Fund supports direct services through DHSS. In further response to Representative Hughes, he clarified that the funds disbursed through DHSS are available to all ages.

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REPRESENTATIVE TILTON questioned whether those who have addictions are price-sensitive.

DR. BUTLER stated that it is clear that economics are an important driver in addiction; for example, a driver in the increased use of heroin - over the use of prescription opioids - is the cheaper price of higher quality heroin.

REPRESENTATIVE LEDOUX remarked:

If the justification of these so-called sin taxes, alcohol, tobacco ... is because somehow or other, society has decided that these products aren't good for us and therefore, it's OK to tax them. ... One of the biggest problems we've got in this state is obesity, I mean, why aren't we taxing ... junk food?

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MR. ALPER stated that most of the governor's tax package relates to adjusting existing taxes, and the administration is not suggesting any new taxes. He stated that the Tax Division has data on the potential revenue that could be raised from taxes on sugared soft drinks.

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CHAIR OLSON announced that public testimony would remain open.

[HB 304 was held over.]

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ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:37 p.m.