



May 22, 2019

Dear Member of the Illinois General Assembly,

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our opposition to efforts that would undermine access to vapor products. With the 2019 legislative session winding down, lawmakers are attempting to significantly increase taxes on vapor products while also subjecting them to the same regulation as an Other Tobacco Products (OTP). Enacting these changes will negatively impact the users of traditional tobacco products who are looking to transition to less harmful alternatives. We urge you to stand with taxpayers and consumers by shelving efforts to misconceived barriers.

As you may be aware, vapor products contain no tobacco; they only contain nicotine without the harmful chemicals found in traditional tobacco products. Therefore it is concerning that SB 1124 attempts to lump vapor products into the same category as OTPs. Subjecting vapor and e-cigarettes to the same state regulation and tax treatment would be an ill-advised approach to addressing public health concerns for tobacco users. Additionally, if lawmakers increase the vapor product tax from 30 percent to 64 percent, it would directly harm many Illinoisians, particularly lower and middle-income tobacco users who wish to switch to products that may improve their health and well-being.

This legislation is proposed at a time when scientific literature is coalescing around the fact that vaping is significantly less harmful than traditional combustible cigarettes. A recent study has shown vaping can reduce the harm associated with smoking by as much as 95 percent, and can be as much as twice as effective as gum or patches to help users quit. It is growing ever clearer that vapor products are an innovative and effective bridge for smokers transitioning toward significantly less harmful alternatives. For years, government officials have taken steps to reduce the prevalence of tobacco usage, and the free market has produced a solution to address this serious problem. Support for policies that raise barriers for people to access healthier alternatives, as some lawmakers propose to do, will derail efforts to lower health care costs and reduce government spending.

Some supporters of this legislation might view it as an easy way to to boost state coffers. However, lawmakers should be aware that taxes on tobacco and tobacco-related products usually yield vastly lower revenue than is projected. A 2013 study by NTU's research arm, National Taxpayers Union Foundation, found that revenue projections were met in only 29 of 101 cases where tobacco-related taxes were raised between 2001 and 2011.

NTU strongly believes this proposal would harm Illinois consumers far more than it would help them. Accordingly, we encourage you to keep these concerns in mind as you work toward a more fiscally responsible future for Illinois taxpayers and consumers.

Sincerely,

Thomas Aiello
Policy and Government Affairs Associate