



PMI US CORPORATE SERVICES

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Written Testimony on Maine LD 278/SP 128

An Act to Eliminate the Tobacco Products Tax on Certain Products That Contain Nicotine

Submitted to the Committee on Taxation by Abigail Jewett, Director of External Affairs & Head of Northeast Region, on behalf of PMI US Corporate Services Inc.

February 12, 2025

Good afternoon, Chairs Grohoski and Cloutier, and members of the Committee on Taxation:

Thank you for the opportunity to provide testimony in support of LD 278, which would make changes to tax rates affecting certain smoke-free tobacco products.

This testimony is delivered on behalf of PMI US Corporate Services Inc. (PMI US), part of the Philip Morris International (PMI) family of companies. PMI's mission is to reduce smoking by replacing combustible cigarettes with less harmful alternatives for the approximately 28 million American adults who still smoke, which includes nearly one in six adult Mainersⁱ.

Of note, PMI has never, and will never, sell combustible cigarettes in the United States. Rather, our goal is to offer a portfolio of FDA-authorized smoke-free products that can provide legal-age adult smokers with a better choice. While no product is risk-free and all products containing nicotine are addictive, smoke-free alternatives are better options to people who would otherwise continue to smoke.

Relevant to this legislation, PMI's affiliate, Swedish Match North America, manufactures a product called ZYN, the first FDA-authorized nicotine pouch product. This means that after years of rigorous scientific review, the FDA determined that ZYN meets the authorization standard of "appropriate for the protection of public health." While ZYN contains nicotine derived from tobacco, it does not contain tobacco leaf like traditional oral tobacco products.

Consumer attitudes toward novel smoke-free products like ZYN are shaped in substantial part by legislative and regulatory choices made by policymakers. As adult nicotine consumers see and use these products, it is increasingly important to have policies in place that affirm they are making a better choice.

Critically, LD 278 would reverse a legislative change enacted last year that effectively taxes ZYN and similar nicotine pouches at the same rate as traditional smokeless tobacco products. This change occurred before FDA's recent acknowledgement that ZYN has substantially lower amounts of harmful constituents than cigarettes and most smokeless tobacco products, such as moist snuff and snus, and, therefore, ZYN poses a lower risk of cancer and other serious health conditions than such products.ⁱⁱ Risk

proportionate taxation dictates that the tax on nicotine pouch products, such as ZYN, should be less than cigarette and smokeless tobacco products.

Enacting LD 278 would allow Maine’s tax code to revert to a state that better aligns with the available science and the broader concept of tobacco harm reduction. This can be best achieved with a comprehensive policy of risk-based taxation, though incremental changes like that presented in LD 278 can and do affect the daily choices of adult consumers. To that end, we would respectfully urge the Committee to adopt LD 278 in service to our shared goal to reduce tobacco-related disease and death for Mainers.

Thank you very much for your time.

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ⁱ [Maine Tobacco Prevention and Control Advisory Council 2022 Annual Report](#)

ⁱⁱ <https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-20-zyn-nicotine-pouch-products-after-extensive-scientific-review>