

Testimony before the Maine Health and Human Services Committee
Regarding Banning the Sale of Flavored Tobacco and Vapor Products
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Chairs Claxton and Meyer, Members of the Committee:

Thank you for your time today to discuss the issue of promoting the health of Maine adults through prohibition and taxation. My name is Martin Cullip, and I am an International Fellow at the Taxpayers Protection Alliance's (TPA) Consumer Center. TPA is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy. TPA's Consumer Center focuses on providing up-to-date information on adult access to goods including alcohol, tobacco and vapor products, as well as regulatory policies that affect adult access to other consumer products, including harm reduction, technology, innovation, antitrust and privacy.

Per the legislation, lawmakers are attempting to establish essentially what is a fund to promote healthier lifestyles for Maine adults, namely by prohibiting the sale of flavored tobacco and vapor products, as well as doubling the existing state excise tax on combustible cigarettes.

Although promoting health for adults is laudable, punishing adults and creating black markets runs contrary to promotion of public health. Should Maine lawmakers truly care about promoting the health of Maine adults, they should use existing tobacco-related monies to fund robust tobacco control programs, including education and prevention.

Below is an overview of tobacco and vapor product use in the Pine Tree State, as well as analyses that find the introduction of vaping has led to significant declines in smoking rates among young adults aged 18 to 24 years old. We have also provided useful information on the effects of flavored bans and draconian taxation, which tend to disproportionately impact lower income persons. We have also included a break down of existing tobacco monies and the pitiful amount that the state uses of those monies to address tobacco use in Maine.

#### **Current Adult Smoking Rates**

According to data from the Centers for Disease Control and Prevention's (CDC) Behavioral Risk Factor Surveillance Survey (BRFSS), smoking rates continue to decline in the Pine Tree State.<sup>1</sup>

In 2020, 16.5 percent adults were classified as current smokers, amounting to 181,826 adults.<sup>2</sup> This is a 6.3 percent decrease from 2019 when 17.6 percent of adults were current smokers.



Further, this is a 34 percent decrease from 1995 when 25 percent of Maine adults reported smoking and the first year the BRFSS started collecting data on smoking rates.

In 2020, among adults, 13.1 percent reported smoking every day, 3.4 percent reported smoking some days, 29.8 percent reported being a former smoker, and 53.6 percent had never smoked. Daily smoking rates have decreased by 5.6 percent since 2019, and by 41 percent since 1995. Moreover, never-smokers increased by 3.1 percent between 2019 and 2020, and by 11.4 percent between 1995 and 2020.

#### Lower Income Persons More Likely to Smoke and Be Burdened By Excise Taxes

Excise taxes are inherently regressive and tend to burden lower income persons. An article from the U.S.-based Cato Institute found that from 2010 to 2011, "smokers earning less than \$30,000 per year spent 14.2 percent of their household income on cigarettes, compared to 4.3 percent for smokers earning between \$30,000 and \$59,999 and 2 percent for smokers earning more than \$60,000." For example, in the U.S., in 2020, among current adult smokers, 54.3 percent reported annual incomes of \$24,999 or less. Conversely, only 10.4 percent of adult smokers reported earning \$50,000 or more annually.

Among current adult smokers in Maine, in 2020, 42.6 percent reported annual incomes of less than \$15,000 and 27 percent of current smokers reported earning between \$15,000 and \$24,999 per year. In fact, more than two-thirds (69.6 percent) of all current adult smokers earned less than \$24,999 per year in 2020. Only 9.8 percent of current adult smokers in Maine reported earning \$50,000 or more a year in 2020.

Interestingly, smoking rates have declined more rapidly among higher income persons in the Pine Tree State than their low-income counterparts. Between 1995 and 2020, smoking rates among current smokers earning \$24,999 or less increased by 10.8 percent. Conversely, among persons earning \$50,000 or more, rates decreased by 37.6 percent during the same period. In fact, between 2019 and 2020, smoking rates increased by 3.6 percent among low-income earners, yet decreased by three percent among higher income smokers.

#### (See supplemental graph 1.1)

#### **Adult Vaping Rates**

Despite providing annual data on cigarette and smokeless tobacco use, the CDC's BRFSS only reports on adult e-cigarette use for 2016 and 2017.

In 2017, according to the BRFSS, 4.1 percent of Maine adults were current e-cigarette users. Similar to income status among smokers, lower income persons are more likely to use vapor Taxpayers Protection Alliance, 1101 14<sup>th</sup> Street, NW., Suite 1120, Washington, D.C. 20005 (202) 930-1716, www.protectingtaxpayers.org



products. In 2017, among current adult e-cigarette users, 12.6 percent reported household incomes of \$25,000 or less per year. Conversely, only 2.6 percent reported earning \$50,000 a year or more.

Switching from combustible cigarettes to electronic cigarettes and vapor products will also reduce smoking-related health issues and save persons and states money. WalletHub estimated the "true cost of smoking" including "...cost of a cigarette pack per day, health care expenditures, income losses and other costs." WalletHub estimated the true cost for smoker in Maine to be \$33,801 per-smoker per-year in 2020.

In 2019, 17.6 percent of Maine adults were classified as current smokers, amounting to 192,785 adults. In 2020, 16.5 percent of the adult population smoked, are about 181,825 smokers. This represents nearly 10,960 fewer adult smokers in the Pine Tree State. Using WalletHub figures, this represents over \$370.4 million in yearly savings in smoking costs.

#### **Economic Impact of Vaping in Maine**

In 2021, according to the analysis by the Vapor Technology Association, the industry created 241 direct vaping-related jobs in Maine. These jobs generated more than \$7.2 million in wages.<sup>6</sup> Moreover, the industry has created hundreds of secondary jobs in the Pine Tree State, bringing the total economic impact in 2021 to \$19.4 million. In the same year, Maine received more than \$4 million in state taxes attributable to the vaping industry.

Unfortunately, efforts by anti-vaping organizations and policymakers have negatively affected vape shops in the Pine Tree State. The number of employees has decreased by 23 percent from 313 in 2018 to 241 in 2021.<sup>7</sup> Further, state tax collections in 2021 were down 1.2 percent from 2018's level of \$4.09 million. Overall, the economic output from the vaping industry in Maine increased by only 5.6 percent, from \$51.4 million in 2018 to \$54.3 million in 2021.

#### (See supplemental graph 1.2)

#### **Youth Tobacco and Vaping Rates**

The most recent data on youth tobacco and vapor product use in Maine comes from the 2019 Youth Risk Behavior Survey.<sup>8</sup> In 2019, 46.3 percent of Maine high school students reported ever-trying e-cigarettes, 30.2 percent reported past 30-day use, and 6.3 percent reported using vapor products daily.

It is worthy to note that youth combustible cigarette use is at an all-time low. In 2019, 6.8 percent of Maine high school students reported using a cigarette in the past 30 days, an 82 percent decrease from 1995 when 37.8 percent of high school students smoked cigarettes.



Further, daily cigarette use has decreased by 91.9 percent from 16 percent of high school students reporting daily smoking in 1995 to 1.3 percent in 2019.

Moreover, nationally, the youth vaping rate continues to decline. In 2021, according to the National Youth Tobacco Survey (NYTS), an estimated 11.3 percent of high school students and 2.8 percent of middle school students reported having used a vapor product on a least one occasion in the month prior to the survey. Further, only 3.1 percent of high school students and less than one percent of middle schoolers reported daily e-cigarette use. The rate of decline is remarkable: among high school students, vaping rates have declined by 41.8 percent since 2020 and by 58.9 percent since 2019, when 27.5 percent reported using e-cigarettes.

#### **Young Adult Smoking Rates**

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of e-cigarettes expanded to all major markets in the United States." <sup>10</sup> Moreover, between September 2014 and May 2020, e-cigarette sales in the U.S. increased by 122.2 percent. <sup>11</sup>

Examining data from the CDC's BRFSS finds that e-cigarettes' market emergence has coincided with a significant reduction in smoking rates among young adults.

In 1998, among current adult smokers, 35.1 percent were 18 to 24 years old. In 2008, this had decreased by 47.6 percent to 18.4 percent of adult smokers in Maine being between 18 to 24 years old.

In the years after e-cigarette's market emergence in the early 2010s, smoking rates among current smokers aged 18 to 24 years decreased by 46.8 percent. Indeed, in 2010, among current smokers in Maine, 23.1 percent were between 18 to 24 years old. In 2020, only 12.3 percent of current smokers were 18 to 24 years old.

Interestingly, e-cigarettes' market emergence was associated with similar declines in average annual percent decreases. Between 1998 and 2008, the percentage of current smokers aged 18 to 24 years old decreased on average by 5.6 percent each year. Between 2010 and 2020, annual percentage decreases average at 5.5 percent.

Further, since 2016, when the U.S. surgeon general issued an alarm about youth e-cigarette use, smoking rates among adults aged 18 to 24 years in the Pine Tree State have decreased by 39 percent, with an average annual decrease of 9.7 percent.



#### (See supplemental graph 1.3)

#### **Wasted Tobacco Dollars**

Between 2000 and 2020, Maine collected an estimated \$2.5 billion in cigarette taxes. <sup>12</sup> During the same 20-year period, the Pine Tree State increased the tax rate on cigarettes twice. The last tax increase raised the rate by \$1.00, to \$2.00 per pack.

In the mid-1990s, Maine sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 45 other states, the Pine Tree State reached "the largest civil litigation settlement in U.S. history" through the Master Settlement Agreement (MSA).<sup>13</sup>

Under the MSA, states receive annual payments – in perpetuity – from the tobacco companies, while relinquishing future claims against the participating companies. Between 2000 and 2020, Maine collected \$1.1 billion in MSA payments.<sup>14</sup>

Tobacco taxes and tobacco settlement payments are justified to help offset the costs of smoking, as well as prevent youth initiation. Like most states, Maine spends very little of existing tobacco moneys on tobacco control programs – including education and prevention.

Between 2000 and 2020, Maine allocated only \$243.7 million in state funds towards tobacco control programs. <sup>15</sup> This is 9.8 percent of what the state collected in cigarette taxes in the same 20-year time span and 22.1 percent of MSA payments. In total, in 20 years, Maine allocated only 6.8 percent of what the state received in tobacco taxes and settlement payments towards tobacco education and prevention efforts. In essence, for every \$100 received in tobacco-related taxes and settlement payments, the state spent \$6.80 funding tobacco control programs.

More specifically, when the state has increased the cigarette tax, it has not increased funding for tobacco control. In 2005, Maine collected \$91.9 million in cigarette taxes. Two years after the tax hike, the Pine Tree State collected \$153 million in cigarette taxes – a 66.5 percent increase. In the same period, tobacco control funding only increased by 3.5 percent, from \$14.2 million in 2005 to \$14.7 million in 2007.

#### (See supplemental graph 1.4)

#### Flavors Are Not Main Reason for Youth E-Cigarette Use

In in a misguided attempt to address youth use of vapor products, many lawmakers in many states, have proposed banning the sale of flavored tobacco and vapor products. Again, while addressing youth use of any age-restricted product is a worthwhile goal, banning flavored



tobacco and tobacco harm reduction products from law abiding adults is a farce to public health. Moreover, data from many youth studies indicate that flavors are not being overwhelmingly cited by youth as a reason for e-cigarette and vapor product use. Other factors, namely friends and social sources are cited more often than flavors.

In 2019, among all Connecticut high school students, 5.2 percent reported using e-cigarettes because of "flavors," 18.2 percent cited "other," and 12.9 percent reported using e-cigarettes because of friends and/or family.<sup>16</sup>

In 2017, among Hawaiian high school students that had ever used e-cigarettes, 26.4 percent cited flavors as a reason for e-cigarette use, compared to 38.9 percent that reported "other." <sup>17</sup>

Among highschoolers in Maryland that used e-cigarettes, when asked about the "main reason" for using e-cigarettes only 3.2 percent responded "flavors." <sup>18</sup> Conversely, 13 percent reported because "friend/family used them," 11.7 percent reported "other," and 3.8 percent reported using e-cigarettes because they were less harmful than other tobacco products.

In 2019, among all Montana high school students, only 7 percent reported using vapor products because of flavors, compared to 13.5 percent that reported using e-cigarettes because of "friend or family member used them." Further, 25.9 percent of Montana high school students reported using vapor products for "some other reason."

In 2019, among all students, only 4.5 percent of Rhode Island high school students claimed to have used e-cigarettes because they were available in flavors, while 12.5 cited the influence of a friend and/or family member who used them and 15.9 percent reported using e-cigarettes "for some other reason."<sup>20</sup>

In 2017, among current e-cigarette users, only 17 percent of Vermont high school students reported flavors as a reason to use e-cigarettes. Comparatively, 35 percent cited friends and/or family members and 33 percent cited "other."<sup>21</sup>

In 2019, among high school students that were current e-cigarette users, only 10 percent of Vermont youth that used e-cigarettes cited flavors as a primary reason for using e-cigarettes, while 17 percent of Vermont high school students reported using e-cigarettes because their family and/or friends used them.<sup>22</sup>

In 2019, among all Virginia high school students, only 3.9 percent reported using e-cigarettes because of flavors, 12.1 used for some other reason, and 9.6 used them because of friends and/or family members.<sup>23</sup>

(See supplemental graphs 1.5)

Flavor Bans Lead to Increased Combustible Cigarette Use



Flavor bans have had little effect on reducing youth e-cigarette use and may lead to increased combustible cigarette rates, as evidenced in San Francisco, California.<sup>24</sup>

In April 2018, a ban on the sale of flavored e-cigarettes and vapor products went into effect in San Francisco and in January, 2020, the city implemented a full ban on any electronic vapor product. Unfortunately, these measures have failed to lower youth tobacco and vapor product use.

Data from an analysis of the 2019 Youth Risk Behavior Survey show that 16 percent of San Francisco high school students had used a vapor product on at least one occasion in 2019 – a 125 percent increase from 2017 when 7.1 percent of San Francisco high school students reported using an e-cigarette. Daily use more than doubled, from 0.7 percent of high school students in 2017, to 1.9 percent of San Francisco high school students reporting using an e-cigarette or vapor product every day in 2019.

Worse, despite nearly a decade of significant declines, youth use of combustible cigarettes seems to be on the rise in Frisco. In 2009, 35.6 percent of San Francisco high school students reported ever trying combustible cigarettes. This figure continued to decline to 16.7 percent in 2017. In 2019, the declining trend reversed and 18.6 percent of high school students reported ever trying a combustible cigarette. Similarly, current cigarette use increased from 4.7 percent of San Francisco high school students in 2017 to 6.5 percent in 2019.

An April 2020 study in *Addictive Behavior Reports* examined the impact of San Francisco's flavor ban on young adults by surveying a sample of San Francisco residents aged 18 to 34 years.<sup>26</sup> Although the ban did have an effect in decreasing vaping rates, the authors noted "a significant increase in cigarette smoking" among participants aged 18 to 24 years old.

Other municipal flavor bans have also had no effect on youth e-cigarette use. <sup>27</sup> For example, Santa Clara County, California, banned flavored tobacco products to age-restricted stores in 2014. Despite this, youth e-cigarette use *increased*. In the 2015-16 California Youth Tobacco Survey (CYTS), 7.5 percent of Santa Clara high school students reported current use of e-cigarettes. In the 2017-18 CYTS, this *increased* to 10.7 percent.

Further, studies have found that banning flavors in e-cigarettes leads to subsequent combustible cigarette use. A 2018 study published in *Tobacco Control* found that banning flavored "e-cigarettes alone would likely increase the choice of cigarettes in smokers." A July, 2021 survey in *Nicotine & Tobacco Research* found that one-third (33.2 percent) of survey respondents would "likely switch to [combustible] cigarettes" if flavors were banned in e-cigarettes.<sup>29</sup>

In August 2021, an article in *American Journal of Public Health (AJPH)* co-authored by 15 past presidents of the Society for Research on Nicotine and Tobacco (SRNT). This prime academic global organization involved with nicotine and tobacco evidence-based research warned that: "Because both youth and adult smokers find e-cigarette flavors attractive, banning all (or most)



flavors risks reducing smokers' use of e-cigarettes to quit smoking at the same time that it reduces youth vaping."<sup>30</sup>

### Menthol Bans Have Little Effect on Smoking Rates, Lead to Black Markets, Lost Revenue and Will Create Racial Tension

Beyond e-cigarettes, policymakers' fears about the role of menthol and flavorings in cigarettes and cigars are overblown and banning these products will likely lead to black markets.

Data from the National Health Interview Survey (NHIS) finds nearly a third of all American adult smokers smoke menthol cigarettes. In a 2015 NHIS survey, "of the 36.5 million American adult smokers, about 10.7 million reported that they smoked menthol cigarettes," and white menthol smokers "far outnumbered" the black and African American menthol smokers.<sup>31</sup>

Although lawmakers believe banning menthol cigarettes will deter persons from smoking those, such a ban will likely lead to black markets. A 2012 study featured in the journal *Addiction* found a quarter of menthol smokers surveyed indicated they would find a way to purchase, even illegally, menthol cigarettes should a menthol ban go into place.<sup>32</sup> Further, there is little evidence that smokers would actually quit under a menthol ban. A 2015 study in *Nicotine & Tobacco Research* found only 28 percent of menthol smokers would give up cigarettes if menthol cigarettes were banned.<sup>33</sup>

Moreover, there is no evidence to suggest that menthol cigarettes lead to youth tobacco use. Analysts at the Reason Foundation examined youth tobacco rates and menthol cigarette sales.<sup>34</sup> The authors of the 2020 report found that states "with more menthol cigarette consumption relative to all cigarettes have *lower* rates of child smoking." Indeed, the only "predictive relationship" is between child and adult smoking rates, finding that "states with higher rates of adult use cause higher rates of youth use."

Lawmakers should take note that menthol sales bans will strain minority communities. Although white Americans smoke more menthol cigarettes than black or African Americans, "black smokers [are] 10-11 times more likely to smoke" menthol cigarettes than white smokers.<sup>35</sup>

Given African Americans' preference for menthol cigarettes, a ban on menthol cigarettes would force police to further scrutinize African Americans and likely lead to unintended consequences.

A 2015 analysis from the National Research Council examined characteristics in the illicit tobacco market.<sup>36</sup> The researchers found that although lower income persons were less likely to travel to purchase lower-taxed cigarettes, "having a higher share of non-white households was associated with a lower probability of finding a local tax stamp" and "neighborhoods with higher



proportions of minorities are more likely to have formal or informal networks that allow circumvention of the cigarette taxes."

Lawmakers in Maine should reexamine the case of Eric Garner, a man killed in 2014 while being arrested for selling single cigarettes in the city. In a 2019 letter to the New York City council, Garner's mother, as well as Trayvon Martin's mother, implored officials to "pay very close attention to the unintended consequences of a ban on menthol cigarettes and what it would mean for communities of color." Both mothers noted that a menthol ban would "create a whole new market for loosies and re-introduce another version of stop and frisk in black, financially challenged communities."

#### **Cigarette Taxes Are Unreliable Sources of Revenue**

Existing excise taxes are unreliable revenue sources. Cigarette tax increases result in long-term revenue shortfalls. From 2001 to 2011, "revenue projections were met in only 29 of 101 cases where cigarette/tobacco taxes were increased," according to the National Taxpayer Union Foundation.<sup>38</sup> Moreover, a decline in cigarette consumption caused cigarette tax revenues "to drop by an average of about 1 percent across all states from 2008 to 2016," according to a report by Pew Charitable Trusts.<sup>39</sup> A 2020 report by the Tax Foundation noted that cigarette tax revenue has fallen in all states and considers cigarette tax revenue to be "so unstable."

Although Maine's last tax increase did lead to an immediate 64.9 percent increase in cigarette tax revenue the year after the tax was imposed, but this has steadily declined in the long-term. Between 2007 and 2020, cigarette tax revenue declined on average by 1.5 percent annually. In 2020, Maine collected \$120.6 million in cigarette tax revenue, a 20.4 percent decrease from the \$151.5 million in cigarette tax revenue that was collected in 2006.

#### (See supplemental graph 1.6)

#### **Health Effects of Electronic Cigarettes and Vapor Products**

Despite recent media reports, e-cigarettes are significantly less harmful than combustible cigarettes. Public health statements on the harms of e-cigarettes include:

**Public Health England (PHE):** In 2015, a landmark report relying on 185 studies and produced by PHE (a leading health agency in the United Kingdom), found "that using [ecigarettes are] around 95% safer than smoking," and that their use "could help in reducing smoking related disease, death and health inequalities." In 2018, the agency reiterated their findings, finding vaping to be "at least 95% less harmful than smoking."

As recent as February 2021, PHE provided the latest update to their ongoing report on the effects of vapor products in adults in the UK. The authors found that in the UK, e-Taxpayers Protection Alliance, 1101 14<sup>th</sup> Street, NW., Suite 1120, Washington, D.C. 20005



cigarettes were the "most popular aid used by people to quit smoking [and] ... vaping is positively associated with quitting smoking successfully." <sup>43</sup>

**The Royal College of Physicians (RCP):** In 2016, RCP found the use of e-cigarettes and vaping devices "unlikely to exceed 5% of the risk of harm from smoking tobacco." RCP is another United Kingdom-based public health organization, and the same group which was the first to highlight the link between smoking and lung cancer, and other tobacco related diseases, in 1962.

The National Academies of Sciences, Engineering, and Medicine: In January 2018, the academy noted "using current generation e-cigarettes is less harmful than smoking." <sup>45</sup>

Cochrane Review: Researchers at the Tobacco Addiction Group analyzed studies that examined the effects of e-cigarettes in helping smokers quit. The researchers found 61 studies that had over 16,700 adults that had smoked. The studies compared the instances of quitting smoking using e-cigarettes to other nicotine replacements including nicotine replacement therapy, nicotine-free e-cigarettes, behavioral support and others. Of the available evidence, the authors found that more people "probably stop smoking for at least six months using nicotine e-cigarettes than using nicotine replacement therapy ... or nicotine-free e-cigarettes." The authors also found that e-cigarette "may help more people to stop smoking than no support or [behavioral] support only."

**Society for Research on Nicotine and Tobacco (SRNT):** An article in August 2021 coauthored by 15 past presidents of the SRNT reported that "Many scientists have concluded that vaping is likely substantially less dangerous than smoking". Furthermore, they found that "A growing body of evidence indicates that vaping can foster smoking cessation" and warned "Studies have found that policies intended to restrict e-cigarette use may have unintentionally increased cigarette smoking".<sup>47</sup>

#### **Conclusion & Summary Points**

Despite alarmism, electronic cigarettes are effective tobacco cessation products that have helped thousands of Maine adults quit combustible cigarettes and flavors are essential in this use. Although youth use of vapor products is concerning, lawmakers must refrain from alarmist efforts that would restrict access to flavors.

Moreover, it is alarming that policymakers would ban what is essential in the use of tobacco harm reduction products while simultaneously increasing the excise tax rate on combustible cigarettes. While the legislation is being touted as effective policies to help establish robust tobacco control programs it negates to acknowledge the already existing tobacco monies the state annually collects from the lungs of smokers.

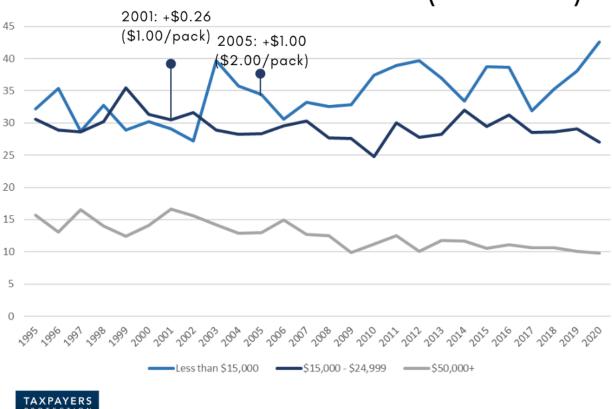


- Combustible cigarette use among Maine high schoolers are at record lows. In 2019, 6.8 percent reported current use of cigarettes, an 82 percent decrease from 1995.
- Nationally, current vapor product use among high school students has declined by 41.8 percent since 2020 and by 58.9 percent since 2019, when 27.5 percent reported using ecigarettes on at least one occasion in the 30 days prior to the survey.
- Maine spends very little of existing tobacco monies on tobacco control programs.
- In 2020, the Pine State collected \$120.6 million in state cigarette excise taxes and \$46.2 million in tobacco settlement payments yet allocated only \$11.8 million (7.1 percent) to tobacco control. In 20 years, for every \$100 the state received in tobacco-related payments, it spent \$6.80 funding tobacco control programs. This is far less than the average price of cigarettes which is \$7.37 per-pack and the proposed legislation which would bring it to \$9.37-per-pack.
- The vapor industry has been an economic boon to Maine, generating \$19.4 million in economic activity in 2021 while creating 241 direct vaping-related jobs. Further, the industry contributed more than \$4 million in state taxes in 2021.
- Unfortunately, anti-vaping efforts have reduced the industry's economic impact. The number of employees decreased by 23 percent from 313 employees in 2018, state tax collections were down 1.2 percent from 2018's \$4.1 million, and overall economic activity increased by only 5.5 percent from \$51.4 million in 2018.
- E-cigarettes' market emergence is associated with low young adult smoking rates. In 2020, among current smokers in Maine, only 12.3 percent current smokers were 18 to 24 years old a 46.8 percent decrease from 2010. Further, since 2016, smoking rates among young adults have decreased by 39 percent.
- Data from existing youth surveys on tobacco and vapor product use indicate that high school students are not using e-cigarettes because of flavors. Overwhelmingly, high school students cite "friends/family" and "curiosity" as reasons for e-cigarette use.
- Rather than impose draconian taxation and forbid the sale of flavored tobacco and tobacco harm reduction products, policymakers should use existing monies to promote adult health in the Pine Tree State.



#### 1.1 Low Income Persons More Likely to Smoke

# Current Smokers Houeshold Income & State Tax Increases (Percent)





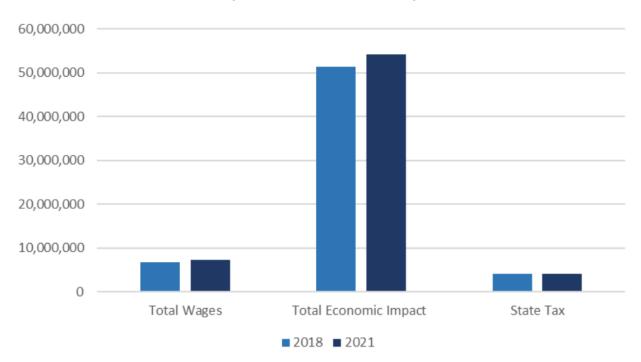
Source: Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey



#### 1.2 Vape Shops' Economic Impact

## Vape Shop Economics

(Dollars, in millions)



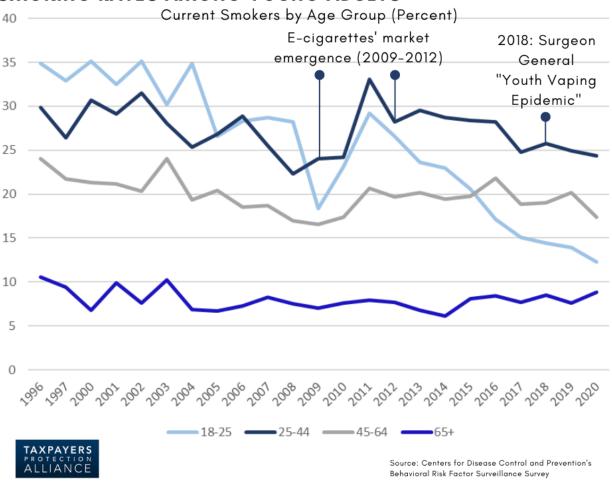


Source: Vapor Technology Association, The Economic Impact of the Vapor Industry



1.3 Young Adult Smoking Rates Have Significantly Declined with E-Cig Emergence

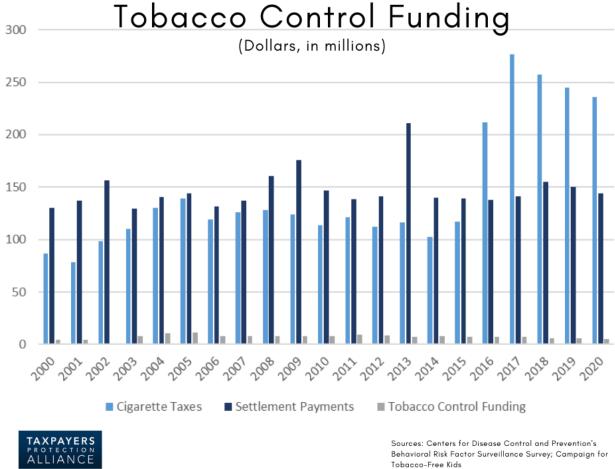
### E-CIGARETTES EMERGENCE LED TO SIGNIFICANT DECREASE IN SMOKING RATES AMONG YOUNG ADULTS





#### 1.4 Maine Uses Little Tobacco Monies for Tobacco Control

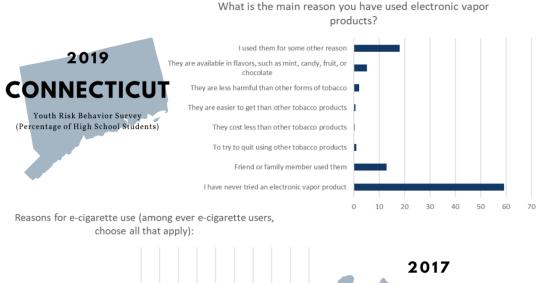
## Cigarette Taxes, Settlement Payments,

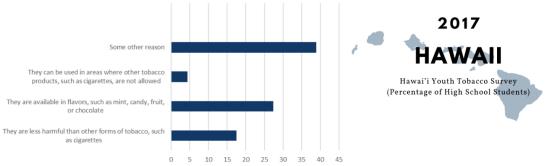


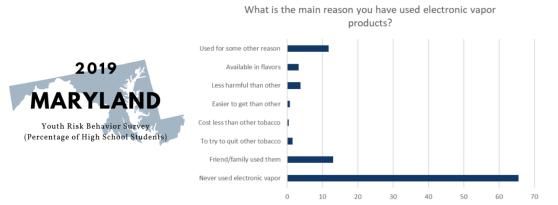


#### 1.5 Youth Not Overwhelmingly Using E-Cigarettes Because of Flavors

## TAXPAYERS PROTECTION ALLIANCE REASONS FOR E-CIG USE







Source: World Health Organization



#### TAXPAYERS PROTECTION ALLIANCE

## **REASONS FOR E-CIG USE**

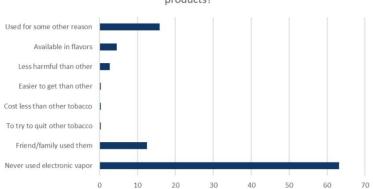
What is the main reason you have used electronic vapor products? (Select only one response.)



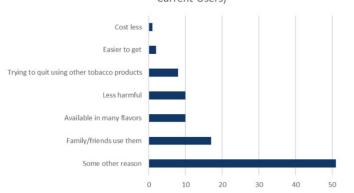
## What is the main reason you have used electronic vapor products? Used for some other reason



Youth Risk Behavior Survey (Percentage of High School Students)



### Primary Reason for Using Electronic Vapor Products (Among Current Users)

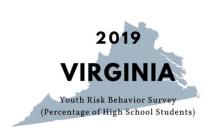


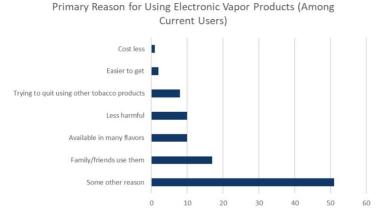
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Youth Risk Behavior Survey (Percentage of High School Students)



## TAXPAYERS PROTECTION ALLIANCE REASONS FOR E-CIG USE





#### SOURCES:

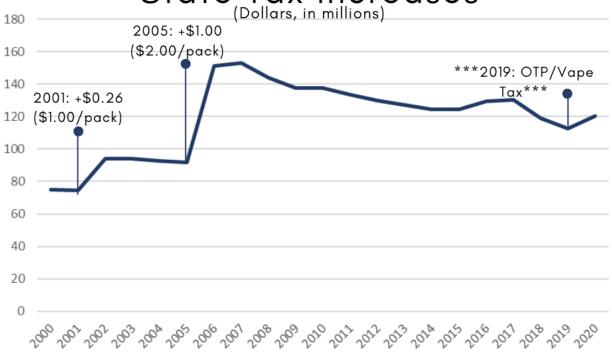
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#### 1.6 Cigarette Taxes Are Unreliable Sources of Revenue

### State Cigarette Tax Revenue &

State Tax Increases





Source: Orzechowski and Walker, The Tax Burden on Tobacco Historical Compilation Volume 55



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