

Maryland Vapor Alliance

Opposition to HB 1414

I am writing to you on behalf of the Maryland Vapor Alliance to express our staunch opposition to the proposed 30% tax on nicotine products. We believe that such a tax would have detrimental consequences for both public health and our local economy. We kindly request your consideration of our concerns and the exploration of alternative solutions.

Firstly, imposing such a high tax on nicotine products could potentially drive consumers back to traditional cigarettes. Vaping has emerged as an effective tool for smoking cessation, supported by numerous studies and reports. By making vaping less affordable, individuals may be discouraged from transitioning away from more harmful combustible tobacco products, which would ultimately undermine public health initiatives aimed at combating smoking-related health issues.

Another major concern is the likelihood of creating a black market for nicotine products. History has shown us that excessive taxation on certain goods creates a breeding ground for illegal activities and underground markets. Not only would this endanger public safety, but it would also result in lost tax revenues for the state, further exacerbating the economic impacts of the proposed tax.

Additionally, we believe that this tax would disproportionately harm small business vape shops across Maryland. Many of these establishments are solely dedicated to providing safer alternatives to adult smokers. The burden of a 30% tax on their products would force them to increase prices, making it more difficult for them to compete with larger retailers. Ultimately, this would lead to a decline in sales, the closure of vape shops, and the unfortunate loss of jobs.

It is well within our goal to find constructive solutions that promote public health without unduly burdening businesses and consumers. While we value the intention behind this proposed tax, we believe there are alternative approaches worthy of exploration. For instance, a more nuanced regulatory framework, age-verification measures, and educational campaigns can be effective in safeguarding minors while preserving access for adult smokers seeking a safer alternative.

We respectfully request the opportunity to engage in open and constructive discussions with you and other lawmakers to find a solution that balances public health objectives with the interests of small businesses and employees within the vape industry. We are confident that, by working together, we can find a resolution that addresses concerns in a comprehensive and equitable manner.

Thank you for your attention to this matter and we respectfully urge an unfavorable report.

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