

Some fear California's tax on e-cigarettes may deter smokers

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In this Dec. 4, 2013, file photo, John Hartigan, proprietor of Vapeology LA, a store selling electronic cigarettes and related items, takes a puff of an electronic cigarette at his store in Los Angeles. As smoking declines nationwide, states are increasingly turning to taxing electronic cigarettes, a trend that concerns some public health experts who fear it could deter smokers from switching to the safer alternative. California became the seventh state to tax e-cigarettes after voters Nov. 8, 2016, overwhelmingly approved a ballot measure. (AP Photo/Reed Saxon, File)

Smoking has dropped to historic lows nationwide, dramatically decreasing revenue from tobacco taxes. In search of funds, a growing number of states are taxing electronic cigarettes—a trend that is sparking a fierce public health debate over whether it will deter smokers from switching to a safer alternative.

California became the seventh state to tax [e-cigarettes](#) with the overwhelming approval of a Nov. 8 ballot measure. Proposition 56 also will add a \$2 per pack state tax to cigarettes onto the already existing 87 cents per pack tax.

State officials are still calculating the new tax structure. The vaping industry estimates the tax could hike up the price of the battery-operated devices and liquids by more than 60 percent, making it more expensive to vape than smoke, even with the additional per-pack [tobacco tax](#).

"California just made the most attractive option unattractive for many smokers, and unaffordable," said Gregory Conley of the American Vaping Association, which advocates for electronic cigarettes as an alternative to tobacco. "Some may never make an attempt to quit."

The taxation of e-cigarettes has split the [public health](#) community between those who support e-cigarettes being treated the same as tobacco and those who see them as an important tool in the fight against smoking, the leading cause of preventable deaths in the United States.

There's no scientific consensus on the risks or advantages of "vaping."

"It's one of the nastiest debates I've ever seen in the public health community, and I've been researching [tobacco control](#) policies for 40 years," University of Michigan public health professor Kenneth Warner said. "The momentum, if you will, is in the direction against e-cigarettes, for sure, and it is unfortunate in a big way, because we may be missing

out on a potential intervention that could reduce the toll of smoking by a lot."

E-cigarettes heat a nicotine liquid into a vapor, delivering the chemical that smokers crave without the harmful tar generated from burning tobacco.

Britain promotes the devices for smokers. Its leading physicians' organization said it found the devices were 95 percent safer than cigarettes, but some U.S. researchers dispute that.

E-cigarettes emit chemicals known to cause cancer, birth defects or other harm, and there is concern over the long-term impact that nicotine has on adolescent brain development, according to California's Public Health Department. Use among young adults ages 18 to 29 has tripled in the state.

"The evidence is piling up very fast that e-cigarettes are more dangerous than people thought," said Stanton A. Glantz, a professor of medicine and director of the Center for Tobacco Control Research and Education at the University of California San Francisco.

Stanton said the university's analysis of more than three dozen studies also found only a fraction of smokers quit after switching to e-cigarettes and that many end up smoking and vaping, which could be worse.

Concern over the jump in youth users was a driving force behind taxing e-cigarettes, Stanton said.

"If we could snap our fingers and have all smokers become e-cigarette users—and not change anything else—that would be better," he said. "The problem is all the other complicated things going on."

Representatives from around 180 countries participating in the World Health Organization's global tobacco control treaty negotiations, including the United States, adopted a declaration earlier this month in which they vowed to prohibit or regulate the sale of e-cigarettes. The declaration comes months after the U.S. announced its first federal regulations of e-cigarettes.

The \$3 billion vaping industry fears taxes coupled with regulations will shut down many small shops.

Scott Drenkard of the nonpartisan Tax Foundation said the product's potential to help smokers is losing out to the rush to recover eroding tobacco tax revenues, which make up as much as 2 percent of state budgets. More than two dozen states have considered taxing e-cigarettes since 2015.

In California, tobacco tax revenue dropped by 44 percent between 1989 and last year, from \$1.6 billion to roughly \$830 million. The state has the nation's second-lowest smoking rate, behind Utah.

State officials estimate Proposition 56 will raise more than \$1 billion in the first year for California, with much of the money earmarked for health care for the poor.

Public health experts, like Warner, favor a staggered system that applies a heavy tax on [tobacco](#) cigarettes, a lighter tax on e-cigarettes and keeping no tax on nicotine replacement therapies that have been determined to be relatively risk-free. That would deter young people from vaping the liquids that come in candy flavors and provide a financial incentive for smokers to switch, they say.

North Carolina adds a tax of 5 cents to each milliliter of nicotine liquid compared with 45 cents per pack for traditional cigarettes.

With no consensus on the health impact, some say it makes sense for states to follow California's lead and not tax them differently.

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