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## **Quigley: NJ may tax e-cigs, raise taxes on tobacco products**

By **Joan Quigley** | **For The Jersey Journal**

on December 15, 2014 at 7:32 AM, updated December 15, 2014 at 9:44 AM

All the talk about taxing marijuana sales died down to a low mumble because only Colorado and Washington are doing it and most other states are still far from legalizing pot. Not much point in arguing about taxing something that isn't available yet when other products offer immediate potential.

E-cigarettes are already here so taxing them is **the hot new topic** in many state capitals, including New Jersey.

Lawmakers everywhere are predicting huge amounts to be raised by taxing devices that electronically deliver nicotine, but there's no solid basis for any of the predictions. Not even the tobacco companies know how many people are actually using the devices. And no one can accurately predict how many people will take up nicotine usage for the first time or will switch from traditional cigarettes to "vaping," as use of the e-cigarettes is called.

Although a dozen states have e-cigarette taxation legislation pending, so far only Minnesota and Ohio have begun collecting money. Here in New Jersey, Gov. Christie has suggested \$35 million a year could be raised by taxing e-cigarettes.

Sen. Joseph Vitale, D-Middlesex, sponsored S-1867, which not only treats e-cigarettes like tobacco but raises the tax rate on traditional cigarettes from 30 percent of wholesale to 68 percent.

Currently cigarettes are taxed at a higher rate than cigars and other kinds of tobacco. Vitale's bill would even out those rates. The tax on premium cigars would rise to \$2.70 per cigar, the same as a 20-pack of cigarettes. Pipe tobacco would be taxed \$4.15 per ounce. Cigarillos would be taxed 54 cents each. Little cigars and single-dose smokeless tobacco products would be taxed 13.5 cents each. The cost of weight-based moist snuff would triple.

The bill changes the calculation of the tax base for wholesalers and raises licensing fees for wholesalers and retailers. It also dedicates some revenue to anti-smoking efforts and other health programs. But unlike Minnesota, it does not classify e-cigarettes as a tobacco product.

The Food and Drug Administration says e-cigarettes ought to be considered tobacco products, but that proposal prompted an outcry from activists who feel vaping devices are a safe alternative and taxing them would discourage smokers from switching. They think the lower cost of e-cigarettes is important. Small retailers howled, too, claiming users would just order their vaping materials via the internet, thus hurting local economies.

So far there's no proof e-cigarettes are safe although they contain no carcinogenic tars or gases, have acceptable levels of minerals, and don't create ashes. A heating element within the cigarette lookalike converts a liquid solution of nicotine into an aerosol that users inhale as vapor. Because nearby people might be affected when vapor is exhaled, New Jersey and many other states banned their use indoors.

People trying to quit say nicotine delivered by e-cigarettes is more satisfying than nicotine gum or patches, but there's no consensus on whether that's a real chemical reaction or just the similarity of vaping to smoking.

A growing crowd of folks who object to nicotine in all its forms are furious that vaping products are sold in flavors like bubble gum and lollipop, obviously designed to attract youngsters. Tobacco companies of course deny they're targeting kids, but they're committed to keep paying \$206 billion over 25 years to the 46 states that signed onto the Master Settlement Agreement with cigarette makers in 1998.

Overall cigarette sales are decreasing annually, so they are marketing new products to whatever new customers they can find. Like state treasuries, they need the money.

***EDITOR'S NOTE:*** A former state assemblywoman from Jersey City, Joan Quigley is the president and CEO of the North Hudson Community Action Corp. in Union City. Her column appears in *The Jersey Journal* every Tuesday.

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