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**FOR IMMEDIATE RELEASE**

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**New Jersey Small Business Owners and Consumers Against Proposed E-Cig Taxes**  
*Increased taxes will hurt small business livelihoods and create barriers to quitting smoking*  
*Proposed e-cig "sin tax" is misguided and sets a dangerous precedent*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, and Automotive Association (**NJGCA**), released the following statement in response to the Fiscal Year 2015 Budget Proposal from the Governor's Administration:

"NJGCA represents 1,500 small businesses in this state, many of whom are now retailers of e-cigarettes. E-cigarettes have exploded onto the marketplace in just a few years as a result of huge consumer demand. Capitalizing on this huge demand, small businesses have been able to earn some additional revenues, which are desperately needed as we continue to rebuild our struggling economy. As the Executive Director of NJGCA, and as an advocate for lower taxes and less government intervention, I oppose any proposal to add a new tax on electronic cigarettes and/or their components."

Risalvato continued, "Unfortunately, it seems that the Fiscal Year 2015 Budget Proposal from the Governor's Administration includes a dramatic increase to the tax on this product. I can assure you that the last thing small businesses need right now is for more government taxation to hurt their livelihood."

Risalvato argued, "E-cigarettes are not the beneficiaries of some obscure, out-of-date loophole that prevents them from being taxed; they are subject to the same 7% sales tax that nearly every other product is." A sales tax which, Risalvato noted, is among the highest in the United States. "Any attempt to raise revenue by changing the current tax rate on e-cigarettes should be weighed against the likely decline in sales tax revenues which would occur as a result."

Risalvato also pointed out, "Currently no product on the market is taxed based on its nicotine content. If a tax on e-cigarettes were to be based on nicotine content, as has been discussed in the state of Washington, it would mean the creation of a new tax in New Jersey. This is particularly concerning since one of the greatest accomplishments of the Christie Administration so far has been the Governor's steadfast opposition to new taxes and tax increases. Small businesses have flocked to support him because of this commitment, and it would be deeply regrettable if it were no longer the case."

"A tax based on nicotine content would dramatically increase the retail price of e-cigarettes. Many e-cigarettes have more nicotine than a traditional cigarette in order to satisfy former smokers. However, the nicotine content is comparable to what is found in a common nicotine patch, a product universally known as a healthier alternative to smoking. Since nicotine patches are not subject to any tax other than the sales tax, e-cigarettes should be treated the same way," Risalvato reasoned.

"The fact is," Risalvato stated, "What is harmful about cigarette smoking is not the nicotine; it is the smoke that is inhaled from the burning of tobacco. The reason a person wants to inhale that smoke is to get at the nicotine. E-cigarettes give consumers the ability to satisfy their nicotine needs without needing to put that smoke in their lungs. Multiple studies have shown e-cigarettes to be much healthier than traditional cigarettes."

"The government levies extraordinarily high taxes on traditional cigarettes because of the damage that they do to a smoker's health. But e-cigarettes help smokers help themselves," Risalvato argued. "We tax traditional cigarettes so highly because the secondhand smoke that they produce carries a risk to the health of others; but e-cigarettes only produce water vapor that is harmless to bystanders."

"How can we levy a sin tax on something that isn't a sin?" Risalvato asked. "To do so creates a terrible precedent. Will the day come when every consumer will be forced to pay more for their morning coffee because of a caffeine tax?"

"For decades, convenience stores and other small businesses have relied heavily on the sale of tobacco products to keep themselves in business. Now, technology has given us an effective new product that is far healthier than traditional cigarettes, and the response from leaders in our government is to levy a hefty new tax. Any proposed tax on e-cigarettes beyond the standard sales tax is bad for small business, bad for consumers, and bad for the public health," Risalvato concluded.

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