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FOR IMMEDIATE RELEASE

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Newly Proposed 75% Tax Rate will Nearly Double the Cost of E-Cigarettes
Increased tax 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 Senate Bill 1867, legislation proposed by Senators Vitale and Codey, which will impose a new 75% tax on e-cigarettes:

"NJGCA represents 1,500 small businesses in this state, many of whom are now retailers of e-cigarettes. The rapidly growing e-cigarette industry has proven extremely important to the economic viability of many convenience stores, and provides a much healthier option for both the e-cig user, and people near the smoker. Given the fact that e-cigarettes deliver nicotine without subjecting the smoker, or innocent bystanders, to the extremely dangerous effects of burning tobacco, e-cigarettes should not be subjected to an outrageous new "sin tax" of 75%."

Risalvato continued, "E-cigarettes are not the beneficiaries of some obscure, out-of-date loophole that prevents them from being taxed; they are subject to the same 7% sales tax that nearly every other product is."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."

"Furthermore," Risalvato reasoned, "Although many e-cigarettes contain more nicotine than a traditional cigarette in order to satisfy former smokers, 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."

"This new tax could even make e-cigarettes **more expensive** than traditional cigarettes!" Risalvato continued. "Consider how this tax would disproportionately burden the low-income smokers in New Jersey. Any desire that these individuals have to stop smoking and get healthier might be prevented by the prohibitive new tax imposed on e-cigarettes."

"Surely" Risalvato stated, "this cannot be the intention of Senators Vitale and Codey. These Senators have worked tirelessly, and are lauded for their commitment to public health. It is unthinkable that they would seek to impose a new tax which would deter people from seeking healthier alternatives to traditional cigarettes."

Risalvato also noted, "Currently no product on the market is taxed based on its nicotine content. The proposed 75% tax on e-cigarettes would mean the creation of a new tax in New Jersey. This is particularly troubling, 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. Both consumers and small business owners have flocked to support him because of this commitment, and it would be deeply regrettable if this were no longer the case."

"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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