

# N.J. Senate Approves E-Cigarette, OTP Tax Hike

## Christie's proposal will move on to Assembly Budget Committee

By [Melissa Vonder Haar](#), Tobacco Editor



Senator Joseph Vitale

**TRENTON, N.J.** --New Jersey Governor Chris Christie's budget goal of generating some \$35 million a year by taxing electronic cigarettes, cigars, loose tobacco and smokeless tobacco more similarly to cigarettes is one step closer to coming to fruition. According to a *Star-Ledger* report, the New Jersey Senate Health, Human Services and Senior Citizens Committee voted five to two (with two abstentions) on Monday to support a bill that would drastically raise state taxes on multiple other tobacco (OTP) products.

The proposed legislation would apply a manufacturer-paid 75% tax on electronic cigarette products, and consumers would see the OTP state excise tax jump from the current 30% rate to 60%.

Retailers and manufacturers argued that such a drastic tax increase would hurt not just their business, but the state economy by encouraging consumers to purchase electronic cigarettes and other tobacco products online or in other states.

"The e-cigarette business is something my members have begun to rely on in the past two years to replace the revenue lost from tobacco products," testified Sal Risalvato, a member of the New Jersey Gasoline, Convenience Store and Automotive Association. "Common sense has to tell us vapors will be less harmful to the person using it and the people around the person using it. Putting such a severe tax on vapor products will be harmful."

Vapers also showed up to share stories of how electronic cigarettes and vaping products had improved their overall health.

"Since I started vaping, my senses of smell and taste have returned," said Ryan Bunting, who also operates an e-cig business. "I no longer wheeze before I fall asleep at night. Within two weeks of switching I found I had more energy."

State Senator Joseph Vitale (D), chairman of the Senate health committee and one of the bill's sponsors, however, lobbied for a more cautious approach to the fast-growing segment--especially in the absence of oversight from the U.S. Food and Drug Administration (FDA).

"E-cigarettes are a fairly new product that is increasing in popularity across the state and around the country and we are still learning the health and safety risks and implications associated with them," he said. "With federal regulations not yet to be in place, these devices often contain toxic substances, carcinogens and unregulated amounts of nicotine. Hopefully, by increasing the tax on these items we can curb the usage of electronic cigarettes and keep young people from starting an unhealthy and often deadly habit."

Vitale noted that the additional tax revenue generated by the bill would go towards underfunded smoking cessation and drug treatment program.

The bill would still need to be approved by New Jersey Assembly Budget Committee. Despite the Senate's vote, members of the Assembly Budget Committee have gone on record as opposing Christie's plan for an e-cigarette and OTP tax levy.