

Popularity of e-cigarettes is facing challenges

Taxes and unanswered questions about safety loom for e-cigarette retailers

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Simon Pakala of Manville “vapes” an e-cigarette while sitting outside e-Volution Vapors. Ryan Bunting, the owner of the shop in Somerville, is an advocate for e-cigarettes and testified before a legislative committee against a 75 percent tax on e-cigarettes. (Photo: PHOTOS BY KATHY JOHNSON/STAFF PHOTOGRAPHER)

SOMERVILLE – Simon Pakala had been smoking a pack of cigarettes a day for three decades until April 5.

The 54-year-old Manville resident said he tried everything to stop — including nicotine patches, nicotine gum and nicotine lozenges. But that day, he had his last regular cigarette and switched to e-cigarettes.

“I’m not winded anymore,” he said. “My cars and clothes don’t stink.” His favorite flavor of e-cigarette is blueberry cheesecake, followed by gummy bear. “You should try the kiwi marshmallow,” he said.

Gaining popularity in New Jersey, e-cigarettes are seen by their users as an innovative way to beat the addiction of smoking cigarettes.

But Dr. Michael Steinberg, executive director of the Tobacco Dependence Program at the Rutgers Cancer Institute of New Jersey, said the jury is still out on the safety of e-cigarettes. “Until we know what is in the vapor, they are less dangerous than cigarettes, but not entirely safe,” he said.

And some legislators see this growing small business niche as a possible new revenue stream. Retailers respond by saying that additional taxes may snuff them out.

Ryan Bunting, who left the Marine Corps in October 2013 after serving eight years, including a stint in Iraq, was looking for something to do when he re-entered civilian life. An Edison resident who grew up in Bridgewater, Bunting knew he wanted to be a small-business owner.

Like Pakala, Bunting, 34, smoked a pack every day since he began 20 years ago, before he entered high school. Though he tried everything, including smoking-cessation programs in the Marines, nothing worked until he tried e-cigarettes. They were popular in Southern California, where he was stationed.

“Vaping changed my life,” he said.

Like a devout convert, Bunting mixed his goal of becoming an entrepreneur with his newfound love for e-cigs by opening e-Volution Vapors in January on West Main Street in Somerville.

Bunting said he began feeling energetic again and his senses of smell and taste sharpened. He no longer wheezed at night when he was going to sleep.

Omar Lopez, owner of the Carter Vaporium, which opened two months ago in the Colonia section of Woodbridge, tells a similar story. He was a smoker for 20 years until a friend “turned me on” to vaping and he quit tobacco within four days. Lopez, who stocks 140 flavors in the store, which opened two months ago, started with a vapor that had a high nicotine level; now he vapes a liquid with no nicotine. The most popular flavor at Carter Emporium is vanilla custard, he said.

Bunting opened the store just as vaping started to gain popularity in Central Jersey. While there were e-cigarette stores in Northern Jersey, there were few retailers that specialized in the devices in Central Jersey and he, like Lopez, was able to grab a foothold in the market.

At his small store, Bunting stocks 65 liquid flavors for e-cigarettes, plus “mods,” the devices that heat the liquid to create the vapor.

He has beginner kits that retail for about \$60 to more advanced mods that cost a few hundred dollars. The liquids, which come in little bottles with eye droppers, start at \$6.99. One of the most popular at the store, he said, is Air Pear, which costs \$19 and sold out in two days.

A bottle lasts about as long as a carton of cigarettes, which now costs about \$50. That makes it easy for Bunting to tout the financial advantages of e-cigarettes, besides what he believes are their overwhelming health benefits.

The vapors contain nicotine, but he said that as “vapers” increase their use, they don’t seem to need as much nicotine and often find themselves taking in vapors that have no nicotine, he said.

There is a sign in front of the store that says no one under 19 is allowed to enter. Bunting also said that he cards customers because e-cigarettes are covered by the same laws as regular cigarettes. For example, the same laws that regulate where smoking is allowed also apply to e-cigarettes.

He also discourages nonsmokers from starting to use e-cigarettes. “If you don’t smoke, you shouldn’t start,” he said.

Despite all the health warnings and the expense, about a fifth of the American population still smokes tobacco, he said. And about 480,000 Americans die each year from smoking-related disease, he said.

“It’s the number-one preventable cause of death,” Bunting said.

But a bill recently approved by the state Senate Health, Human Services and Senior Citizens Committee would place a 75 percent wholesale tax on e-cigarettes. That would raise the price for a beginner e-cigarette kit from \$60 to \$100, said Butler, who testified before the committee as a board member of the nascent New Jersey Vapor Retailers Coalition.

“The last thing that small businesses need right now is for more government taxation to hurt their livelihood,” said Sal Risalvato, executive director of the New Jersey Gasoline, Convenience Store and Automotive Association. “E-cigarettes are not the beneficiaries of some obscure, out-of-date loophole that prevents them from being taxed; they are already subject to the same 7% sales tax that nearly every other product is.” Risalvato said the tax on e-cigarettes could generate \$7 million, though the bill’s sponsors and the Christie administration believe it could raise \$35 million, a small amount compared to the projected \$850 million budget deficit.

Sen. Joe Vitale, D-Middlesex, said increasing the tax would discourage young people from starting a potentially “unhealthy” habit because the federal government has yet to conclude that e-cigarettes are safe. The tax would be used to support smoking cessation and drug treatment programs.

Bunting said that while some senators understood the appeal and advantages of e-cigarettes, others “just didn’t get it.”

Lopez said the tax would force e-cigarette users to go out of state for their materials. He also said that there is a suspicion that “Big Tobacco” is behind the tax increase because it wants they want to drive the e-cigarette retailers out of business.

Like Bunting, Lopez also said he would be forced to pass along his higher costs to the customers. Bunting said New Jersey is already a “tough” state for small businesses. “Vaping is one of the few areas where small businesses are thriving,” he said.

All of the materials in his shop are made in the United States, Bunting said. “In America, we want to innovate and solve problems,” he said, but the proposed tax is discouraging that goal.

E-cigarette retailers are also facing a challenge from the medical field.

Steinberg said that while e-cigarettes do not contain the toxins of regular cigarettes, he is still waiting for more studies by the federal Food and Drug Administration about the content of the vapors from the e-cigarettes.

Until those studies are concluded, Steinberg said he could not recommend e-cigarettes as a way to stop smoking. He said that smokers should stick with “proven” methods, such as nicotine patches, and participate in traditional cessation programs.

“We just don’t know what it’s in the vapor,” he said.

But e-cigarettes still have true believers.

Lopez said he has customers who quit smoking after 40 years when they started vaping.

“They’re 60, 70 years old and they come in and shake my hand and thank me,” he said.