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**FOR IMMEDIATE RELEASE**

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**NJGCA Thanks New Jersey Legislature for Stopping E-Cig and Other Tobacco Tax Increases**

*Small businesses able to continue their recovery without more government intervention  
Our legislators and representatives heard our concerns and took action!*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, and Automotive Association (**NJGCA**), released the following statement in response to the Legislature's recent decision to not include an e-cigarette and other tobacco taxes in the FY2014 budget:

"NJGCA represents 1,500 small businesses in New Jersey, many of whom sell 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-cigarette 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, lawmakers and legislative leaders should have been considering **tax breaks** on e-cigarettes, not outrageous new 75% tax burdens!"

"I took on this fight back in February even though I didn't think we could win," Risalvato said. "My members expressed the importance of the growing e-cigarette industry to their business, and were concerned that this excessive tax burden would kill a critical profit-center in their already struggling businesses. The e-cigarette industry was just starting to take hold in New Jersey, producing much-needed revenues for both business owners and the State. Imposing a 75% tax on these products right off the bat would prevent such businesses from having the opportunity to grow and flourish. Furthermore, since e-cigarettes are already subject to the same 7% sales tax in New Jersey that nearly every

other product is -- a sales tax which is among the highest in the United States -- any attempt to raise revenue by changing the current tax rate on e-cigarettes would likely have resulted in a decline in sales tax revenues."

"Additionally," Risalvato explained, "this wasn't just an economic issue, but a public health issue. A tax of this nature on e-cigarettes could make them **more expensive** than traditional cigarettes! Any desire that an individual had to stop smoking and get healthier had the potential to be stifled by this prohibitive tax. Surely, this was not the intention of the sponsors, but NJGCA is pleased that this very-real unintended consequence was realized, and the bill was stopped before any harm could be done."

"For decades, convenience stores and other small businesses have relied heavily on the sale of tobacco products to keep themselves in business. When technology gave us an effective new product that is far healthier than traditional cigarettes, the response from leaders in our government was to levy a hefty new tax. NJGCA is grateful that there were legislators who were willing to hear our concerns and recognize the potentially devastating effects of imposing a 75% tax on e-cigarettes and other tobacco products, such as cigars. Especially deserving of thanks are Senate Budget Chairman Paul Sarlo and Assembly Budget Chairman Gary Schaer. Taxing e-cigarettes beyond the standard sales tax would have been bad for small business, bad for consumers, and bad for the public health," Risalvato concluded.

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