



January 11, 2022

To: Members of the Revenue Committee of Wyoming's House of Representatives  
From: Americans for Tax Reform

Dear Representative,

On behalf of Americans for Tax Reform (ATR), a non-profit organization which advocates in the interests of taxpayers and consumers throughout the United States, I urge you to reject HB 58, misguided legislation which seeks to increase the highly regressive tax on cigarettes by more than 70%. **The evidence clearly demonstrates that if enacted** this bill would have a disastrous impact upon businesses in the state of Wyoming and do nothing to reduce smoking rates. **At this time of high inflation, as families across Wyoming struggle to make ends meet, it is imperative that this proposal does not pass.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. **72% of [those who smoke](#) are from low-income communities, and to increase taxes on people unable to quit as they are struggling with the costs of unprecedented inflation and the continued Covid-19 pandemic will put unnecessary hardship on families who are already struggling to provide for themselves and others.**

Cigarette taxes are highly regressive, meaning they impact people with lower socioeconomic status more than they hurt those in higher income brackets. In New York State, where the tax on cigarettes is relatively high, **people in the highest income groups spend only about 2% of their annual income on cigarettes. Poor New Yorkers [spend](#) nearly a quarter of their income (23.6%) on cigarettes. Similar statistics can be expected in Wyoming if this proposal is to pass. You cannot ignore the disproportionate impact that cigarette tax hikes have on low-income individuals when considering raising the tax rate on tobacco.**

Further, cigarette tax hikes promote black markets for smuggled tobacco products, and consistently result in revenues coming in far lower than projected. Contrary to popular belief that tobacco smuggling a victimless crime consisting of someone purchasing a few extra cartons across state lines, most tobacco smuggling is run by multi-million-dollar organized crime syndicates. **These networks, who also engage in human trafficking & money laundering, have also been used to fund terrorist and the US State Department has explicitly [called](#) tobacco smuggling a "threat to national security".**

Paradoxically this tax may increase youth smoking in the state: By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at tobacco retailers and convenience stores.

Only three out of 32 state tobacco [increases](#) between 2009 and 2013 met tax revenue estimates and for this reason, economists and tax policy experts view tobacco taxes as unsound policy, and it is highly unlikely that revenue estimates will be met. It has been [determined](#) that **recent increases in the cigarette tax rate in the US have not led to anything like the reductions that cigarette tax advocates promised. During years when there is a large increase in taxes, there is not an equivalent drop in cigarette purchases.**

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202)785-0266

F: (202)785-0261

[www.ATR.org](http://www.ATR.org)

Instead, I urge you, the Wyoming House of Representatives, to embrace new methods that are proven to help reduce smoking rates and facilitate adult smokers quitting through reduced risk alternatives to tobacco such as e-cigarettes. Please read more about e-cigarettes below and consider how these products will save lives in Wyoming. Increased access to e-cigarettes is shown to lower smoking rates and improve public health. Rather than punishing the most vulnerable populations in your state by voting for HB 58, support policies that encourage e-cigarette use among adult smokers. Tens of thousands of lives depend upon it.

About E-Cigarettes and Vapor Products:

- Traditional combustible tobacco remains one of the leading preventable causes of death in **Wyoming. The negative health effects of combustible tobacco come from the chemicals produced in the combustion process, not nicotine.** While highly addictive, nicotine is a relatively benign substance like caffeine and nicotine use “does not result in clinically significant short- or long-term harms”.
- Nicotine replacement therapies like patches and gums have helped smokers quit for decades. In recent years, a more effective alternative has been created: **vapor products that deliver nicotine through water vapor, mimicking the habitual nature of smoking while removing the deadly carcinogens that exist in traditional cigarettes.**
- The [CDC](#) has found that only 3.1% of youths use e-cigarettes daily and youth vaping rates continue to decline sharply, disproving the myth of an ongoing “youth vaping epidemic.”

Benefits of E-Cigarettes and Vapor Products:

- Vapor products have been [proven to be at least 95% safer](#) than combustible cigarettes. A comprehensive analysis of nicotine product harm estimates that e-cigarettes expose users to just 4% of the harm of combustible cigarettes.
- The Cochrane Review, the gold standard of medical meta-analysis, has identified “high certainty evidence” that e-cigarettes are more [effective](#) than nicotine replacement therapies at helping those who smoke quit.
- Vaping has been endorsed by over 100 of the world’s leading [public health organizations](#) as safer than smoking and an effective way to help smokers quit.
- When e-cigarettes entered the market in 2003, the U.S. adult cigarette smoking rate was 21.6%. **Due to increased access to vaping, the U.S. adult smoking [rate](#) has plummeted to [12%](#) as of 2022.**
- A University of Glasgow study showed that e-cigarettes particularly [help disadvantaged](#) persons quit smoking. **HB 58 will have a tremendously negative impact on public health and would fail to decrease socioeconomic disparities by reducing adult access to products shown to improve public health.**

- Large-scale [analysis](#) from Georgetown University Medical Center estimates that 6.6 million American lives can be saved if a majority of cigarette smokers switched to vaping. **This would save more than 10,000 lives in Wyoming.**

For the reasons outlined above, in the interests of public health, protecting the Wyoming economy and taxpayers at a time of high inflation, and preventing the spread of smuggling cartels, we call upon you to **accept the overwhelming evidence and vote against HB 58**. This legislation would do more harm than good and economically disadvantage the most vulnerable communities in Wyoming.

Sincerely,

Tim Andrews  
Director of Consumer Issues  
Americans for Tax Reform