



April 6, 2021

Chairman Marquart and Tax Committee Members,

The language included in HF991 that extends the current tax rate of 95% - the nation's highest vapor tax - to include electronic delivery devices that are sold separately from products containing nicotine, is harmful, both to Minnesota's small businesses and to the adult consumers who are using these legal products responsibly.

Tank-system heating devices that are sold separately from vapor liquids are already priced at a level that would dissuade youth from purchasing. A typical device can retail for \$30 up to \$95 depending on the complexity. These devices are typically used with low-level nicotine solutions that allow a user to step down their nicotine dependence. Many adult users are vaping products with zero nicotine and these devices helped them to achieve that goal. Additionally, as more adults are using CBD and medical marijuana there is a need to also use these high-end devices for those purposes. This tax - as proposed - raises taxes on all heating devices, regardless of the user's intended application.

The negative impact of HF 991 on small businesses will be severe, forcing many to end sales of these products and close their retail stores. Just as importantly, this will leave adult vapors with little option other than to return to smoking or to use vapor products that have significantly higher levels of nicotine as pod systems that will have a lower effective tax,

Article 5, Sections 2-4 create a tax that will punish adults that use these devices and it sets a precedent that allows the state to tax batteries and hardware as tobacco products despite having no tobacco or nicotine or even being sold with them.

We urge you to NOT support these articles. They will decimate business, hurt adults trying to quit, create a financial incentive for users to return to the harmful practice of smoking, and reward Big Tobacco with increased sales.

A handwritten signature in black ink, appearing to read "Cap O'Rourke".

Cap O'Rourke
Midwest Vapor Coalition