



GRANITE CITY JOBBING Co., INC.
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April 16, 2021

Chairperson Rena Moran
Members of the House Ways and Means Committee
State Capitol
St. Paul, MN 55155

Subject: House File 991 (Omnibus Tax Bill)

Dear Chairperson Moran and Members of the Ways and Means Committee:

I am a second-generation owner of Granite City Jobbing, a family-owned wholesale business located in St. Cloud. Our company wholesales many different kinds of products to grocery stores, convenience stores and smoke shops, including tobacco products, electronic cigarettes, and nicotine vapor products.

House File 991 would extend the state's 95% excise tax on nicotine liquid solution used in electronic cigarettes to the actual electronic cigarette or vapor device itself. This extension of the excise tax would essentially double the price of an electronic cigarette or vapor device.

This kind of tax policy sets a double standard. The State of Minnesota does not tax a pipe used to smoke pipe tobacco. A pipe is essentially a device used to smoke pipe tobacco just like an electronic cigarette or vapor device is used to vape nicotine liquid. To assess a 95% tax on electronic cigarette and vapor devices will create a double standard in state tax policy.

Moreover, electronic cigarettes and vapor products are available on the Internet which means that Minnesotans can buy them to avoid paying any excise tax and sales tax. Also, Minnesotans will drive to a neighboring state to buy their electronic cigarettes and vapor devices because North Dakota, South Dakota and Iowa do not impose any tax on nicotine solutions or devices and Wisconsin does not assess a tax on devices either.

This means that Minnesota retailers will end up losing even more sales because of the significant price difference that will occur with a 95% tax on electronic vapor devices.

I urge you to not support this 95% excise tax on electronic cigarette and vapor devices. Thank you for your consideration.

Sincerely,

Mike Smith

President, Granite City Jobbing