

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™



Ohio Chapter

Testimony of William Cotton, MD, FAAP

House Bill 49—State Operating Budget for FY 18/19

Taxation of Tobacco, Other Tobacco Products, and Vapor Products

House Finance Committee

Chairman Smith, Vice Chair Ryan, Ranking Member Cera, and members of the House Finance Means Committee, thank you for the opportunity to offer testimony today on House Bill 49, the State Operating Budget for Fiscal Years 2018 and 2019. I am here today on behalf of the 2,900 physician members of the Ohio Chapter of the American Academy of Pediatrics to offer our support for provisions in House Bill 49 related to the taxation of tobacco and vapor products.

As you know, HB 49 increases the current tax on cigarettes by 65 cents per pack and equalizes the tax rates on other tobacco products and vapor products with the cigarette tax. These are important measures that will reduce the proliferation of smoking among adolescents and teenagers and will also provide safer environments by reducing smoking among adult caretakers and parents. The Ohio Chapter of the American Academy of Pediatrics strongly supports the Kasich Administration's tobacco tax proposal.

The American Academy of Pediatrics strongly recommends that tobacco tax prices, including taxes levied on vapor products, should be increased to reduce youth smoking initiation. It is vital that rates of taxation for different tobacco and nicotine products be equalized to ensure a consistent barrier to teen smoking. Included with my testimony as the AAP's full policy statement on *Public Policy to Protect Children From Tobacco, Nicotine, and Tobacco Smoke*.

Price and taxation are effective barriers to limit the sale and access to cigarettes, e-cigarettes and other tobacco products. Unfortunately, many of the safeguards put in place through limits on advertising and high tax rates have not been applied to e-cigarettes. As a result, celebrity advertisements and colorful, child friendly packaging are utilized for vapor products. Recently, the FDA extended its regulation of tobacco products to cover e-cigarettes and other electronic nicotine delivery systems.

Nationally and in Ohio, we have pushed for vapor products to be regulated like other tobacco products, including in the area of taxation. Let me be clear—e-cigarettes and other nicotine products are highly addictive and marketed to current or potential smokers. They are often branded and treated as an alternative to cigarettes and are rarely advertised as a smoking cessation tool. Should tobacco companies begin marketing their vapor products as cessation aids we would gladly allow them to be sold at a lower rate; unfortunately, that is not the case.

There is no scientific evidence that supports the theory that e-cigarettes are effective or safe tobacco dependence treatment products. Further, e-cigarette usage among teens has been shown to increase the likelihood that the teenager will migrate to cigarettes and other tobacco products. In 2014, more young adults reported using e-cigarettes over any other tobacco product, including traditional cigarettes.

And parents who have bought into tobacco industry advertising that claims e-cigarettes are safe should be cautious—vaping indoors can expose children to harmful levels of nicotine that can be inhaled or absorbed through the skin. Nicotine can linger on carpets and upholstery and cause nicotine poisoning; we see cases like this each month in the ER.

Over the past few years, e-cigarette usage among teens has risen sharply. In 2015, there were an estimated 3 million middle and high school students using e-cigarettes; this is an increase from 2014 of over 50%. This translates to 16% of high school students and 5% of middle school students. E-cigarette products are often available at a lower cost than traditional tobacco products and come in flavors like chocolate, caramel, and cotton candy—these are attractive to adolescents and teenagers who are naturally curious. According to the FDA, 81% of teens who use e-cigarettes cite the availability to appealing flavors as their primary motivation for smoking.

Equalizing taxes levied on e-cigarettes, vapor products, and other tobacco products with cigarettes taxes is a common sense and necessary policy for Ohio. This will go a long way towards curbing some of the alarming trends we are seeing with e-cigarette use among teenagers. Further, increasing the cigarette tax by 65 cents will generate additional public health benefits that will ultimately reduce teen and adult smoking rates and environmental harm to children as a result of adult smoking.

The leading factor in Ohio's poor infant mortality rate is prematurity, and many of those cases are caused by tobacco use among pregnant mothers. Increasing the tobacco tax and equalizing tax rates among nicotine and other tobacco products was the only recommendation of the Ohio Commission on Infant Mortality that was not included in Senate Bill 332, enacted last year. Reducing smoking rates through higher taxation will have a direct impact on our infant mortality rate. This not only applies to pregnant mothers but young women who are being attracted to smoking through e-cigarettes and other products.

In closing, I strongly encourage the Ohio House of Representatives to support tobacco tax proposals in HB 49. These changes will have a positive impact on our state. Thank you for your time and I would be happy to answer any questions you might have.