

Before the House Finance Committee  
House Bill 64 Opponent Testimony  
March 24, 2015

Chairman Smith, Vice Chair Schuring, Ranking Member Driehaus and members of the House Finance Committee, thank you for the opportunity to appear before you today on as an opponent of portions of House Bill 64. My name is Frank Cahall and I appear before you today representing AltSmoke.

AltSmoke has twelve vapor stores located throughout Ohio as well as in Kentucky, New Jersey and New York. We employ roughly 100 Ohioans in good paying, full and part time jobs. All of our positions begin above minimum wage.

In the simplest of terms, if the Governor's proposed tax increase on tobacco, and specifically the inclusion of vapor products in that tax, becomes law, you will be closing AltSmoke stores and will be sending our employees back to the unemployment line.

Vaping provides an alternative to traditional tobacco that our customers have sought out. Some supplement traditional cigarettes with vaping. Many are former smokers who credit these products with allowing them to break free of combustible tobacco products. With the current tax system, our customers have a choice on which product they use.

If this tax is enacted, our customers will go online or across state borders to buy their product. There is no question about this. This is especially true of our Cincinnati store and our New Philadelphia store. No other state that AltSmoke operates in has such a large tax on tobacco and other products such as the one proposed in House Bill 64. Additionally, in those states, there is no tax on vapor products. Why would savvy consumers pay double for a product if they know they can make short trip across the border or buy online where the tax is not enforced? This proposed tax will not curb usage, but it will curb sales in Ohio and repercussions will be felt at the local level, severely affecting store owners and their employees.

The vaping industry is still new and emerging, and as such we recognize that we will face new regulations and scrutiny. We strive to work with regulators, both at the state and federal level to develop practical practices. This proposed tax is not practical. It is confusing, extreme and a job killer.

Thank you Mr. Chairman and members of the committee. I am happy to answer any questions you may have.