Preserving Vermont's Economic Stability: The Flaw in a Flavored Tobacco Ban

By Jim Atkins

As the Vermont House Committee on Human Services prepares to deliberate on the proposed flavored tobacco ban, it's crucial to pause and consider the wider ramifications of such a policy. While the intention behind banning flavored tobacco products might seem noble, the potential fallout from this decision could be economically devastating for the state of Vermont.

The cornerstone of the argument against this ban lies in its projected impact on the state's economy. Recent analysis from O&W Earmark Allocation and Analysis underscores that the tax revenue at risk from banning menthol cigarettes alone amounts to a staggering $8.7 million. When combined with the estimated $6.8 million reduction in revenues from other flavored nicotine products, the total loss could reach an alarming $15.5 million. Since 1956, my family's wholesale tobacco and grocery distributor company has provided products to convenience and grocery stores throughout the state. Every year we increase the amount of taxes we pay on the sales of tobacco. I believe the impact on the state's revenues will be much greater since my small company alone paid over $10 million in flavored tobacco taxes to the state in 2023, and I am just one of several wholesalers serving Vermont stores.

Proponents of the ban may argue that a prohibition of flavored tobacco is a necessary step to curb tobacco usage, especially among the younger demographic. However, real-world data and experiences from neighboring states paint a different picture. Take Massachusetts, for instance, where the flavor ban led to a substantial surge in cigarette sales across Rhode Island and New Hampshire. This resulted in a drain on tax revenue without any tangible benefits to public health. The lesson is clear: a similar ban in Vermont would likely hurt the state's economy without significantly deterring tobacco usage.

Furthermore, a flavored tobacco ban could exacerbate an already existing problem of cigarette smuggling into Vermont, an issue that already costs the state over $2 million in tax revenue annually according to the Tax Foundation. Implementing such a ban may inadvertently promote cross-border sales and illicit trade, further compounding the economic strain while flooding the market with unregulated tobacco products.

It's crucial to recognize that prohibiting flavored tobacco doesn't solely impact recreational users; it significantly hampers harm reduction efforts. Tobacco Harm Reduction Policies offer a pragmatic approach to assisting adult smokers in transitioning to potentially less risky tobacco products. Limiting access to flavors not only diminishes the appeal of these alternatives but also undermines the efforts of adults seeking to quit smoking.

Moreover, the argument that flavored tobacco appeals to young people might not hold as much weight in Vermont. The state has made remarkable strides in reducing tobacco usage among youth, with smoking rates plummeting by 77% since 2001, resting at a mere 5.4% in 2021. This notable success indicates that Vermont's youth are already making informed decisions regarding tobacco use.

In light of these statistics and precedents set by neighboring states, it's evident that a flavored tobacco ban might not be the solution Vermont needs. Instead, the state should focus on comprehensive harm reduction strategies that balance public health concerns with economic stability. By fostering an environment that supports adults in making informed choices and continuing successful youth-targeted initiatives, Vermont can maintain its progress without resorting to counterproductive policies that threaten its economy.

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