



Senate Finance Committee - March 28, 2019
H.47 – Tax on Electronic Cigarettes

The Vermont Cannabis Trades Association (VCTA) has identified a provision in H.47 which may adversely affect medical marijuana patients.

The medical marijuana dispensaries offer electronic and battery-powered devices (i.e. vape pens, vaporizers) that deliver cannabinoid therapy. We believe that these products would fall within the language in H.47 (and 7 V.S.A. §1001(8)), resulting in a tax for these products.

The language in H.47 includes in the definition of *other tobacco products* - “products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not. . . .”

- *Tobacco substitute* is defined in Title 7, and includes other electronic or battery powered devices that contain or deliver... other substances into the body that have not been approved by the FDA for tobacco cessation or other medical purposes.

We would like to ask you to consider the following amendments (in bold) –

Sec. 1. 32 V.S.A. § 7702(15) is amended to read:

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute; but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this section **or products sold pursuant to 18 V.S.A. Chapter 86.**

Sec. 2 7 V.S.A. §1001(8)

(8) "Tobacco substitute" means products, including electronic cigarettes or other electronic or battery-powered devices, that contain and are designed to deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes. Products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes, **or products sold pursuant to 18 V.S.A. Chapter 86,** shall not be considered to be tobacco substitutes.