

Vermont Patients Alliance
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Middlesex, VT 05602

My name is Amanda Kitchen and I'm the chief compliance officer for Vermont Patients Alliance. The language proposed in H.47 would include sales of vaporizer cartridges and devices from licensed medical cannabis dispensaries. A 92% wholesale tax would place an undue financial burden on the registered patients receiving medical cannabis treatment. We ask that you exempt all vape cartridges and devices sold pursuant to 18 VSA Chapter 86.

- 20% of our total sales are from vape products (devices and cartridges).
- The percentage of total sales attributable to vape cartridges has consistently increased over the past 18 months.
- The rise in popularity is due to several factors:
 - When a patient uses one of our cartridges in a vaporizer device, a consistent and repeatable dose is delivered. The level of control allows patients to titrate their dose to determine what is most effective in treating their symptoms;
 - When a patient smokes cannabis, the plant material is combusted or burnt. This releases gases and particulates that can cause lung irritation. When cannabis is vaporized it is heated, not burnt. The heat of a vaporizer is approximately half of what would be produced by a flame;
 - For patients who are suffering from Parkinson's, MS, cancer, it can be physically taxing to smoke cannabis. The vaporizers are simple to use. They produce less of a smell;
 - There is limited research on the benefits of vaporizing cannabis over smoking it but some early studies showed that cannabis vapor had fewer carcinogens when compared to cannabis smoke.
- Unlike e-cigarettes, our cartridges do not contain toxic additives like polyethylene glycol. We use super critical fluid extraction to create the concentrate. The concentrate is then diluted in 100% organic, virgin coconut oil to achieve the desired potency.
- We sell cartridges in .5 and 1 gram sizes. The price ranges from \$60 to \$90.
- A .5 gram cartridge is the equivalent of approximately 1/8-1/4 ounce of flower;
- Depending on a patient's diagnosis or the symptoms they are targeting, a .5 gram cartridge can last one to two weeks;
- If a 92% wholesale tax was imposed on vape cartridges, that would significantly raise the price for our patients. To account for the tax, the price of a cartridge would increase by approximately 55%;
- Roughly 75% of our patients qualify for our income-based discount and are at or below 300% of the federal poverty line. They are living on disability, social security, or state assistance.
- The cartridges we produce are lab tested and manufactured in a highly controlled environment. We have seen a dramatic decline in patient numbers since July 1, 2018. The availability of cartridges on the black market has skyrocketed. Our costs, as a legitimate, licensed, dispensary, are much higher than the black market. By imposing a tax on vape products lawfully purchased at a dispensary, more patients will turn to illegal and untested sources because of the price.
- The intent of the bill is to discourage underage e-cigarette use not to impose an additional, financial burden on medical patients and increase black market sales.

I respectfully request that an exception to the definition of "other tobacco products" be added that will exempt medical cannabis vape products from the 92% wholesale tax.