

Something doesn't add up...



**2019
Vermont
Average Cost Per
Pack
\$9.62 / pack**

<http://fairreporters.net/health/prices-of-cigarettes-by-state/>



The tobacco industry says they are concerned with parity - but let's look at the math...

Regardless of the retailer's wholesale price of the 4-pod pack, we know the 4-pod Juul pack costs \$16, therefore **1 pod retails for \$4** and contains the same amount of **nicotine** as a **\$9.62 pack of cigarettes**.

If the wholesale price is:	Meaning the markup is:	x 92%tax=	Price of 4-pod pack with tax=	Divided by 4= per pod price	Avg per pack price of cigarettes
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\$16	\$0	\$14.72	\$30.72	\$7.68	← <i>not parity</i> →	\$9.62
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But the wholesale price can't be \$16 or the retailer would make NOTHING for selling it

\$12	\$4	\$11.04	\$27.04	\$6.76	→ <i>\$2.86 cheaper</i> →	\$9.62
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Even with generous wholesale estimates, the pod still remains cheaper than a pack of cigarettes

\$4 represents a **25%** markup, which is fairly common for tobacco products. In order for the pod price to reach **parity** with a pack of cigarettes the tax rate would need to be around **185%**.

- Based on cigarette taxes, we know raising the price of tobacco products reduces consumption among youth.
- We know the current average **retail price of a pack of cigarettes in Vermont is \$9.62**
- **We know Juuls make up 70 percent** of the e-cigarette market.
- We know each Juul pod contains the **same amount of nicotine as 1 pack of cigarettes**.
- **We know a 4-pod pack of Juul pods retails for \$16** (top left pic taken April 24, 2019 in Plainfield, VT at Maplefield's convenience store).
- We know the Juul device retails for approximately \$35 but that the manufacturer is offering a discount to make it \$20 (top right pic taken April 25, 2019 in Chittenden Cty.)
- We know the 92% tax is on the **wholesale price not the retail price**.
- **And we know that a 92% tax on the most popular e-cigarette would maintain a price that is far less than the price of a pack of cigarettes.**