

**2025 SENATE FINANCE AND TAXATION**

**SB 2281**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2281  
1/27/2025

Relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

9:00 a.m. Chairman Weber called the meeting to order.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- Relationship between taxes and tobacco use
- Methods to tax tobacco products
- Tobacco tax collection method

9:00 a.m. Senator Hogan, District 21, introduced SB 2281, testified in favor and submitted testimony #31696.

9:10 a.m. Mike Rud, President, North Dakota Petroleum Marketers Association, testified in opposition and submitted testimony #33271.

9:17 a.m. Eric Spencer, President, Greater North Dakota Chamber, testified in opposition.

9:18 a.m. Carol Two Eagles, Pipe Carrier, testified in opposition.

9:21 a.m. Ben Hanson, ND Government Relations Manager, American Cancer Society, testified in opposition.

9:27 a.m. Darius Endres, Owner, Sports Vape, testified in opposition and submitted testimony #31086.

9:32 a.m. Joe Fouhy, General Manager, Farmers Union Oil Company, testified in opposition and submitted testimony #31578.

9:35 a.m. Andrew Horn, Coalition Program Director, Tobacco Free North Dakota, testified neutral and submitted testimony #31518.

9:39 a.m. Holly Brekhus, Executive Director, First District Health Unit, testified neutral and submitted testimony for Javayne Oyloe, Executive Officer of Upper Missouri District Health Unit, testimony #31561.

9:48 a.m. Shannon Fleisher, Associate Director, Office of North Dakota Tax Commissioner, testified neutral.



**Additional written testimony:**

Tyler Meyer, General Manager, Ewing Oil LLC, submitted written testimony in opposition #31373.

Argall McKenzie, submitted written testimony in opposition #31384

Courtney Koebele, Executive Director, ND Medical Association, submitted written testimony in favor #31484.

Sarah Iverson, Store Manager, Kotaco Fuels, submitted written testimony in opposition #31583.

Tim Blasl, President, North Dakota Hospital Association, submitted written testimony in favor #31587.

Doug Kellogg, State Projects Director, Americans for Tax Reform, submitted written testimony in opposition #31602.

Zachary Johnson, Owner, Urban Vape, submitted written testimony in opposition #31679.

9:54 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

Chairman and members of the Committee. I thank you for taking the time to read this and for your consideration on this Bill. My name is Darius Endres. I am the owner of Sports Vape in Fargo. I am hear to sincerely ask you to not recommend passing Senate Bill 2281. I have 1 store with a total of 8 employees. For the last 11 years I have had a store in Fargo. It gets tougher and tougher every year to run a small business. The cost of inventory, insurance, rent, and competitive liveable wages for employees continues to sky rocket. Yet, we continue to maintain, pay our taxes, and run our business to the best of our ability with what we have to work with. This bill in front of you will be a killer for every small business like mine. Our inventory prices will increase and we will lose thousands of customers due to the high costs of our products. It will eventually lead to employee lay offs and even potentially closing down my business. The products that I sell in my store are a much safer alternative to tobacco cigarettes and more affordable. If Senate Bill 2281 gets passed, the affordable prices no longer exist and people will resort back to tobacco cigarettes. Currently, tobacco cigarette usage are at all time lows and the best way to keep it that way would be to continue offering these safer alternative products to our customers at an affordable price. If not, this Bill will also create a black market here in North Dakota. Consumers will start to make their own products and sell them on the streets, and could cause serious health risks to these consumers. A thriving underground market in tobacco products would be a serious threat to effective regulation and public health. Here at Sports Vape, my staff have become like a family to me. My staff puts their trust in me to keep their paychecks coming so that they and myself can provide for our families. One of the greatest things about having a small business in North Dakota is the business friendly environment and nature, including low taxes, incentives for small businesses, and the attractiveness for entrepreneurs to pursue a business with limited financial burdens. Customers at my store are already paying a sales tax. My business is already paying payroll taxes, state tax, federal tax, and income tax. This Bill is just another tax being passed down to the everyday consumer who is already being hammered with enough taxes and very high costs of living. Please don't add anymore taxes to my business or my consumers. Please say no to Senate Bill 2281. Thank you.

Sincerely,  
Darius Endres  
218-979-1339  
sportsvapefargo@gmail.com

Dear Members of the North Dakota Legislature:

On behalf of Ewing Oil, a locally owned business founded in 2017 based out of Grand Forks, and operating three locations in North Dakota, I write to express our strong opposition to SB 2281 and HB 1570.

Ewing Oil Stores proudly serves the residents of North Dakota and has contributed to the state's economy. However, the proposed cigarette excise tax increase of \$1.09 per pack, along with the new 56% tax on vapor products and nicotine pouches, would have devastating economic consequences for local businesses like ours and the state's economy overall.

Tobacco products account for over 30% of our in-store sales. Increased excise taxes on these products will drive our customers to neighboring states with lower tax rates, such as Montana and South Dakota, or encourage them to seek out unregulated sources. This loss of business would severely impact our revenue, forcing us to make difficult decisions regarding staffing and operations, and could potentially result in store closures, depriving communities of essential services.

Raising the excise tax on tobacco products also incentivizes smuggling and other illegal sales of these products. There are federal estimates that illicit tobacco sales already account for as much as 20% of all cigarettes purchased online. This not only undermines legitimate retailers like us but also costs the state significant tax revenue. In addition, increasing taxes on tobacco and nicotine products could push consumers to unregulated markets, where is no guarantee of product quality or safety.

Rather than imposing another regressive tax, we urge the Legislature to explore alternative methods to address public health concerns, such as targeted education campaigns, smoking cessation support programs, and stronger enforcement of age restrictions for tobacco purchases. These approaches have proven effective in reducing smoking rates without jeopardizing the viability of small businesses or unfairly burdening consumers.

We respectfully ask that you reconsider and work to protect North Dakota's businesses, employees, and residents from the negative consequences of such proposed tax increases. Please reject the proposed tax increases in SB 2281 and HB 1570.

Thank you for your attention to this important issue.

Sincerely,

Tyler Meyer  
General Manager  
Ewing Oil

tylerm@ewingoilllc.com  
(701) 757-3835

**Dear North Dakota Senate Finance and Taxation Committee Members,**

I am writing to express my opposition to Bill SB 2281, which seeks to impose additional taxes on cigars, other tobacco products, alternative tobacco products, and electronic smoking devices in North Dakota. As a lifelong resident of this state, I believe this bill will have negative consequences for both residents and the state economy.

This bill could result in North Dakotans, including myself, purchasing tobacco products from neighboring states where prices may be lower. This would reduce the state's tax revenue in the long term. Specifically, many Minnesota residents already cross the border to purchase tobacco products in North Dakota due to the relatively lower cost. By raising prices significantly, the state risks losing this consumer base, ultimately resulting in fewer sales and less tax revenue generated.

Additionally, this tax increase may drive people to seek out illicit alternatives, creating a black market for tobacco products. Individuals could turn to online purchases to avoid the tax, and there's a risk that these products could end up in the hands of minors, exacerbating the already serious issue of underage tobacco use. This would not only undermine the intended goal of regulation but also introduce new challenges for law enforcement and public health.

Another unfortunate consequence of this proposed tax increase is that it could drive more residents to purchase tobacco products from Native American reservations, where tobacco is often sold without state taxes. This would further reduce the state's tax revenue and may even push local businesses to lose out on potential sales.

North Dakota currently ranks as one of the top states in terms of the amount of money allocated to citizens from the State Health Department, with an average of \$251 per person. It's important to consider how policies like SB 2281 could undermine this by pushing residents and visitors to seek alternatives outside our state, thereby decreasing the revenue that funds valuable services.

For these reasons, I urge you to reconsider moving forward with SB 2281. It may have unintended consequences that harm both the economy and the residents who depend on these services.

Thank you for your time and consideration.



**Senate Finance and Taxation Committee**  
**SB 2281**  
**January 27, 2025**

Chairman Weber and Committee Members, I am Courtney Koebele and I serve as Executive Director for the North Dakota Medical Association. The North Dakota Medical Association is the professional membership organization for North Dakota physicians, residents, and medical students.

The North Dakota Medical Association supports HB 2281, increasing the state's tax on tobacco products. At its 2013 annual meeting, NDMA adopted a resolution supporting legislative action to raise North Dakota's tobacco tax as a proven way to prevent youth tobacco initiation, encourage a reduction of adult tobacco use, reduce health care costs, and provide an overall benefit to public health.

According to the Centers for Disease Control and Prevention (CDC) Office on Smoking and Health, tobacco use health care costs in North Dakota amount to \$326 million per year.

Physicians are on the front lines trying to prevent and reduce tobacco use by counseling young patients not to start and supporting patients who have already started in their attempts to quit. Yet, they cannot do it alone.

Increasing tobacco taxes is one of the leading recommendations for states to use in preventing and treating tobacco addiction, particularly in adolescents. Therefore, preventing the uptake of tobacco use by making it less affordable is a better investment than waiting to treat smokers in adulthood.

However, according to the research it is important to recognize that tobacco tax increases will only reduce tobacco consumption if the increase is noticeable and beyond the range of being offset by tobacco industry discounts. In addition, it is important to ensure that the tax increases are equitable across tobacco products.

With the rise in youth e-cigarette use and increased smokeless tobacco use among rural populations, timely policy will be imperative to curb these growing health threats.

NDMA supports SB 2281. I would be happy to answer any questions. Thank you.



P.O. Box 3237  
Bismarck, ND 58502  
701-751-0229  
[www.tfnd.org](http://www.tfnd.org)

January 27, 2025

9:00 am CST

Senate Finance and Taxation Committee for the 69<sup>th</sup> ND Legislative Assembly

Chairman Weber, and members of the Senate Finance and Taxation Committee, hello, my name is Andrew Horn, and I am the Coalition Program Director for Tobacco Free North Dakota. The mission of Tobacco Free North Dakota is to improve and protect the public health of all North Dakotans by reducing the serious health and economic consequences of tobacco use, the state's number one cause of preventable disease and death. Thank you so much for your time this morning.

TFND is taking a neutral position on SB 2281 in its current form. This bill has some very good sections, but the price increase in section 3 does not meet CDC best practice recommendations and would need to be amended to those levels for TFND to fully support this bill.

Let's start with the good in this bill- SB 2281 includes additional language to define products like nicotine pouches, gels, and dissolvable products as tobacco products. This will close a loophole the tobacco industry exploits in current code, as products like synthetic nicotine pouches do not fit the current definition of chewing tobacco or snuff. The definition proposed in this bill also protects FDA approved nicotine replacement therapies, which are evidence-backed medications to help with tobacco cessation.

TFND is also supportive of the 28 percent of wholesale price tax proposed on electronic smoking devices and their substances, and alternative tobacco products in this bill. These products are currently only subjected to sales tax in North Dakota, so this would close another loophole in tobacco tax policy for our state.

According to the Surgeon General, increasing the price is one of the most effective interventions to reducing tobacco use.<sup>i</sup> The state has not changed our rate since the 1993 legislative session when the \$0.44 per pack was put in place. An inflation adjustment alone would raise that tax to \$0.97, a \$0.53 cent increase.<sup>ii</sup>

As I mentioned earlier in my testimony, the proposed price increase on cigarettes in section 3 of this bill does not fall in line with CDC best practice recommendations. This is because when price increases are done in small increments, the tobacco industry uses coupons and prices discounts to negate the incentive for consumers to quit. We ask for an amendment on page 4, line 24, to change the proposed twelve and one-half mills per cigarette to at least fifty-four and one-half mills per cigarette, which would push North Dakota's per pack cigarette tax in line with South Dakota at \$1.53. This amount would still be below the national average of \$1.97, as well as less

than the rates of our neighbors in Montana and Minnesota. <sup>iii</sup>

Again, thank you for this time in front of you, Chairman Weber, and the Committee. It is very appreciated. I stand for any questions you may have.

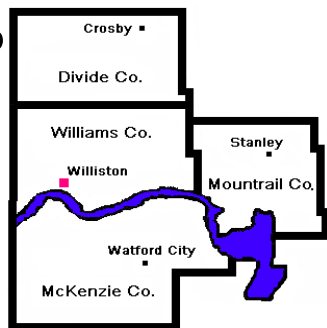
Andrew Horn  
Coalition Program Director,  
Tobacco Free North Dakota  
Cell: 443-280-0041  
[andrew@tfnd.org](mailto:andrew@tfnd.org)  
[www.tfnd.org](http://www.tfnd.org)

---

<sup>i</sup> [https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf)

<sup>ii</sup> [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

<sup>iii</sup> <https://assets.tobaccofreekids.org/factsheets/0222.pdf>



# Upper Missouri District Health Unit

*"Your Public Health Professionals"*

## DIVIDE COUNTY

Divide County Courthouse  
P.O. Box 69  
200 Main Street N  
Crosby, ND 58730  
Phone 701-965-6813  
Fax 701-965-6814

## MCKENZIE COUNTY

P.O. Box 1066  
201 5th St. NW Suite 1100  
Watford City, ND 58854  
Phone 701-444-3449  
Fax 701-842-6985

## MOUNTRAIL COUNTY

Memorial Building  
P.O. Box 925  
18 2<sup>nd</sup> Ave SE  
Stanley, ND 58784  
Phone 701-628-2951  
Fax 701-628-1294

## WILLIAMS COUNTY

110 W. Bdwy, Ste 101  
Williston, ND 58801-6056  
Phone 701-774-6400  
Fax 701-577- 8536  
Toll Free 1-877-572-3763

## Testimony

### Senate Bill 2281

### Senate Finance and Taxation

January 27, 2025

Good morning, Chairman Weber and members of the committee. I am Javayne Oyloe, Executive Officer of Upper Missouri District Health Unit (UMDHU). I have worked in public health for nearly 29 years. I worked primarily in tobacco prevention for 13 of those years. UMDHU provides local public health services to Divide, McKenzie, Mountrail and Williams Counties.

We have seen an increase in new tobacco products, and we know youth nicotine use is unsafe. For that reason, I appreciate inclusion of alternative tobacco products and electronic smoking devices in this bill as people are looking for ways to quit using these products, and a substantial increase in taxes can reduce tobacco use. I am in support of a taxing structure that provides another tool for people when they are ready to quit using tobacco and alternative products.

Local public health appreciates the support and forethought that went into this bill to provide funding to local public health and 988 for people in crisis. I have said that local public health is the safety net for communities, and we are grateful for legislative support.



Mr. Chairman and members of the committee, thank you for allowing the privilege to be heard today.

My name is Joe Fouhy and as the General Manager for Farmers Union Oil Company of Beulah & Halliday, I urge a strong no pass on SB 2281 to increase the tax on tobacco products.

Tobacco sales account for a large portion of the sales within our convenience stores. A sin tax such as this is sure to spark a host of unfavorable events such as bootlegging across state and reservation lines as well as force people that are already choosing between nutritional necessities and their addition to nicotine.

The loss of revenue resulting from bootlegging would be a huge negative impact to legitimate business throughout our State.

Again, please recommend a do not pass on SB 2281.

Thank you.

Chairman Weber and Members of the Committee,

I appreciate the opportunity to submit written testimony in opposition of SB 2281, which increases taxes on tobacco products. I am the manager of a convenience store located in Mayville, North Dakota.

Such taxes disproportionately burden the poor and small retailers.

Since the poor are more likely to smoke, North Dakota's low-income families would be hit hardest by this tax hike. In 2024, people with incomes below the poverty threshold smoked at a rate of 19.7%. Raising the cigarette tax would place a heavier burden on these families, who are struggling to get by in an already tough economy.

The proposed tobacco tax increase would also burden small businesses. In 2021, cigarette sales accounted for nearly 27% of all inside sales at convenience stores. More so, cigarette sales accounted for more than 10% of in-store gross margin. When out-of-state customers pick up a pack of cigarettes, they often also purchase gas, food, and other items that help North Dakota's economy grow. Many out-of-state tobacco consumers will travel for more affordable tobacco products. If we lose those out-of-state consumers, businesses also lose sales on gas, food, or other items that may also be purchased. A tobacco tax hike would erode North Dakota's competitive advantage over nearby states, like Minnesota.

The proposed tax increase will encourage more purchases to be made across state lines. As I previously stated, a tobacco tax hike would eat away at North Dakota's competitive advantage over nearby states. Smokers would be less willing to make the drive to purchase tobacco at a more affordable price. While tobacco is increasingly a social taboo, tax rate hikes in North Dakota will certainly harm North Dakota business owners, especially business owners in border counties.

As your constituents deal with higher federal tax rates and soaring health care costs, smokers and non-smokers alike would be best-served by avoiding this tobacco tax hike. Instead, North Dakota leaders should look to reform the tax system to lessen the burden on the poor, lower costs for small businesses, and keep the competitive advantage we currently have over neighboring states.

Sincerely,

Sarah Iverson

701-786-4078

Manager at Kotaco Fuels, Mayville, ND

**2025 SB 2281****Senate Finance and Taxation Committee****Senator Mark Weber, Chairman****January 27, 2025**

Chairman Weber and members of the Senate Finance and Taxation Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of Senate Bill 2281. I ask that you give this bill a **Do Pass** recommendation.

Hospitals support the bill because raising tobacco taxes is one of the most effective ways to reduce tobacco use. Tobacco use remains a leading risk factor for conditions that lead to heart disease, cancer, lung disease and other health complications.

This bill will increase the tax on cigarettes, cigars, other tobacco products, alternative tobacco products, electronic smoking devices and electronic smoking device substances. Such a tax increase will encourage users to quit and discourage people from starting.

Based on the fiscal note, the additional tax on the products above would generate at least \$25.8 million in additional revenue for the biennium. North Dakota ranks third lowest in the country for a cigarette tax of \$.44 per pack. Our surrounding states are higher, Montana's tax is \$1.70, South Dakota's tax is \$1.53, and Minnesota's tax is \$3.04 per pack. The national average is \$1.97.

Hospitals support this bill because we believe it would discourage individuals from using tobacco and alternative tobacco products which leads to a reduction in healthcare costs.

In summary, we support the bill and hope that you will give it a **Do Pass** recommendation.

Respectfully Submitted,

Tim Blasl, President  
North Dakota Hospital Association



## AMERICANS for TAX REFORM

January 27, 2025

To: North Dakota Senate Finance and Taxation Committee  
From: Doug Kellogg, Americans for Tax Reform  
Re: Opposition Testimony for Senate Bill 2281

Chairman Weber, Vice Chairman Rummel, Members of the Committee,

My name is Doug Kellogg, I am State Projects Director for Americans for Tax Reform (ATR), testifying in opposition to Senate Bill 2281.

ATR is a non-profit organization founded in 1985 at the request of President Reagan to ensure tax reform returned money to American taxpayers. Today, we continue to advocate for reducing the tax burden, as well as advocate for consumers and free markets, and sponsor the Taxpayer Protection Pledge, a written commitment made by elected officials to their voters that they will oppose tax increases.

**I urge you to reject SB 2281, misguided legislation which seeks to increase the highly regressive tax on cigarettes and cigars, as well as increase taxes on the tobacco alternative products that help smokers quit. Further, North Dakota small businesses will be hurt and jobs lost.**

The research and evidence we have indicates that this bill would do nothing to reduce smoking rates but would lead to a decrease in state tax revenue due to an increase in criminal smuggling of tobacco. Further, small businesses with narrow margins will struggle to survive, and families hurt. People who are quitting smoking would have less access to products the Food and Drug Administrations deems appropriate for the protection of public health because they are safe.

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. **72% of [those who smoke](#) are from low-income communities**, and cigarette taxes are highly regressive, meaning they impact people with lower socioeconomic status more than they hurt those in higher income brackets.

Further, cigarette tax hikes promote black markets for smuggled tobacco products, and consistently result in revenues coming in far lower than projected. Contrary to popular belief that tobacco smuggling a victimless crime, most tobacco smuggling is run by multi-million-dollar organized crime syndicates. These networks, that also engage in human trafficking and money laundering, have also been used to fund terrorism. The U.S. Department of State has explicitly [called](#) tobacco smuggling a “threat to national security.”

Paradoxically this tax hike may increase youth smoking in the state: By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at tobacco retailers and convenience stores.

**Only three out of 32 state tobacco [increases](#) between 2009 and 2013 met tax revenue estimates** and for this reason, economists and tax policy experts view tobacco taxes as unsound policy, and it is highly unlikely that revenue estimates will be met.

Rather than inappropriately treating alternatives like vaping, oral nicotine pouches, and new technology the same as old tobacco products, lawmakers should welcome these reduced risk tobacco alternatives.

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

[www.atr.org](http://www.atr.org)

The negative health effects of combustible tobacco come from the chemicals produced in the combustion process, not the nicotine. While highly addictive, nicotine is a relatively benign substance like caffeine and nicotine use “[does not result in clinically significant short- or long-term harms](#).”

In recent years, advancements in technology have created a more effective alternative: vapor products and e-cigarettes, as well as oral nicotine pouches such as snus and pouches. These products deliver nicotine methods that do not involve combustion, thus avoid the carcinogens that exist in traditional cigarettes.

Vapor products have been [proven to be at least 95% safer](#) than combustible cigarettes and are more than [twice as effective](#) at helping smokers quit than traditional nicotine replacement therapies, while nicotine pouches have been approved as appropriate for the protection of public health by the FDA recently.

Large-scale [analysis](#) from Georgetown University Medical Center estimates that 6.6 million American lives can be saved if a majority of cigarette smokers switched to reduced risk products. **This would save more than 65,000 lives in North Dakota.**

For the reasons outlined above, in the interests of public health, protecting the North Dakota economy at a time of high inflation, and preventing the spread of smuggling cartels, we call upon you to **oppose SB 2281**.

If ATR can be of any assistance or you have questions, please contact me at 202-785-0266, [dkellogg@atr.org](mailto:dkellogg@atr.org).

Thank you.

Zachary Johnson  
2612 Gateway Dr  
Grand Forks, ND 58203  
701-970-8769  
[zachi@urbanvapeusa.com](mailto:zachi@urbanvapeusa.com)  
January 26, 2025

North Dakota Senate  
Subject: Urgent Concerns Regarding Senate Bill 2281 and its Devastating Impact on North Dakota's Small Businesses

Dear Members of the North Dakota Senate,  
I am writing to express my profound concern regarding Senate Bill 2281, which proposes significant tax increases on tobacco and nicotine products. As the owner of Urban Vape, a small business in Grand Forks employing five individuals, I fear this legislation will severely jeopardize the viability of my business and potentially force its closure. This concern is shared by virtually all small tobacco and nicotine retailers across North Dakota.

Our shop specializes in nicotine vape products. The substantial increase in the cost of goods imposed by SB 2281 will severely impact our profit margins, making it impossible to remain competitive and profitable. This will not only threaten our business but also the livelihoods of our five employees, and the numerous employees working in similar shops across the state. The vast majority of tobacco and nicotine retailers in North Dakota are small businesses. Unlike large corporations, small businesses like Urban Vape lack the resources to absorb such a dramatic tax increase.

The experience in Minnesota, just across the river, serves as a stark warning. Similar tax increases have led to the closure of many businesses in that state due to the dramatic increase in product costs and a subsequent shift to the dangerous black market. This is not simply an economic concern, but a public health crisis in the making.

SB 2281 risks driving North Dakota customers to purchase unsafe, unregulated e-cigarettes from the black market or to make online purchases from out-of-state vendors, thereby weakening consumer protections and increasing the risk of exposure to unregulated, harmful products. This creates a serious public health risk that far outweighs any potential revenue gains from the tax. The black market offers no consumer safeguards, and the lack of regulation allows for the sale of products containing dangerous ingredients.

I urge you to reconsider the provisions of SB 2281 and to carefully assess the potentially devastating consequences for small businesses and more importantly, the public health. We implore you to find an alternative solution that doesn't cripple the livelihoods of hardworking individuals, undermine consumer safety, and create a thriving black market for dangerous, unregulated products.

Thank you for your time and consideration of this urgent matter. I am available to discuss these concerns further at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Zachary Johnson". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Zachary Johnson  
Urban Vape



**SB 2281 Testimony**  
**Senate Finance and Tax Committee**  
**Senator Kathy Hogan**  
**January 27, 2025**

Chairman Weber, for the record, my name is Kathy Hogan. I represent District 21 which is central Fargo and a portion of West Fargo.

SB 2281 is a bill that does three things.

1. Raises the cigarette and cigar tax by \$.25/pack
2. Adds a comparable tax on electric cigarettes (Vaping productions)
3. Designates that these additional funds be allocated through the DHHS budget to local public health units who are actively involved in monitoring youth smoking and 988 suicide prevention and intervention services.

Taxation is not my area of expertise. We do know that tobacco taxation is an effective method to improve health outcomes by reducing use. Some say incremental increases do not work. For young people, cost does make a difference and youth nicotine use is rising again.

The Youth Risk Behavior Survey (YRBS) is a national system of surveys used to monitor behaviors in school-aged children that can lead to poor health outcomes. North Dakota has conducted the YRBS in partnership with the Centers for Disease Control and Prevention (CDC) since 1995. On odd-numbered years, ND students in grades 7-8 and 9-12 are administered a voluntary, anonymous survey questionnaire. Schools, teachers, public health professionals, community leaders, and policymakers in North Dakota use YRBS data for decision making, evaluation, and planning. The link to the most recent survey <https://www.hhs.nd.gov/sites/www/files/documents/DOH%20Legacy/YRBS/2023%20High%20School%20Summary%20Data.pdf> ( pages 16-31 are attached to this testimony) describes youth tobacco utilization rates in 2023. Vaping has been increasing every year.

The average taxation rate for cigarettes in the US is \$1.93 per pack. ND is currently at \$.44/pack, and this would raise that to \$.69/pack. Currently vaping is not taxed in ND and the significant increase in use is very concerning primarily for

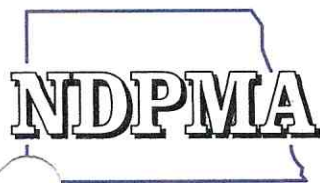
our young people. Link to the state ranking of tobacco taxation:

<https://assets.tobaccofreekids.org/factsheets/0097.pdf> This tax increase will not impact ND sales because are neighboring states are all significantly higher: Minnesota is at \$3.04/pack, South Dakota is at \$1.09/pack and Montana is at \$1.70/pack. \$.69/pack will still be much lower.

Vaping taxation is an emerging area around the nation and here is the link to the 2024 taxation rates by the state <https://taxfoundation.org/data/all/state/vaping-taxes-2024/>. This bill includes the ad valorem method of taxation based on wholesale price. This bill is based on a 25% wholesale cost which would be the third lowest rate of the states using that methodology.

I am certain that you will have extensive testimony both supporting and opposing this bill. I am more than willing to answer any questions.

Thank you.



## ND Petroleum Marketers Association

1014 East Central Avenue • PO Box 1956  
Bismarck, ND 58502 • Telephone 701-223-3370  
www.ndpetroleum.org • Fax 701-223-5004

### Testimony- SB 2281

January 27, 2025- Senate Finance and Tax Committee

Chairman Weber & Members of the Senate Finance and Tax Committee:

For the record, I'm Mike Rud, President of the North Dakota Petroleum Marketers Association. On behalf of NDPMA and well over 600 retail store fronts, I stand before you urging a **"DO NOT PASS" recommendation on SB 2281.**

Perhaps more importantly than that, I stand before you asking for a **DO NOT PASS** on SB 2281 because of its egregious nature. This bill is the worst of all taxes. **IT IS A SIN TAX.** A tax that preys on some of the most economically disadvantaged consumers in ND. Honestly, I don't know of anyone in the 69<sup>th</sup> Legislative Assembly who campaigned on such a pledge.

If the proposed \$0.25 tax increase is passed, an average adult smoker earning less than \$15,000 a year will face at least a 7.7% tax on their income compared to a maximum tax of 1.2% for adult smokers earning more than \$100,000.

Worsening the regressive impact, 23.5% of adults in North Dakota who earn less than \$15,000 are smokers, whereas only 9.0% of adults who earn \$100,000 annually are smokers.

**In 2018, state tobacco users paid nearly 120 MILLION DOLLARS in state and federal excise taxes.** That's 15% or about 120,000 North Dakotans paying an average of \$1,000 each in user taxes. How much can state and federal government squeeze out of them? Isn't that enough.

The statistics I'm sharing with you in this document further prove the regressive nature of any additional tobacco taxes.

The Tax revenue information obtained from OMB shows the declining tax revenue being generated from current cigarette and tobacco taxes.

The information found below the tax figures comes from an NDPMA Member in Western ND. He was good enough to break out five categories of sales in both Tobacco and Alternative Tobacco Products since inflation set in 4 years ago. If you would like we can walk through the data, but the figures speak for themselves. All consumers have been hit hard in ND by inflationary prices and it's quite obvious the tobacco using public might be at the top of the list.

Yet given all these increases in consumer product costs, tax revenue is trending down. That tells me sales of these products are declining as the state tax graph indicates. Consumers are seeking different approaches to either curb or end the habit.

I will close with this information. You may recall in 2016 an initiated measure brought forward by the anti-tobacco groups called for a **\$400% tax increase**. I volunteered to serve as spokesperson in opposition to this measure. It was a long 6 months. I got continuous energy from all the ND residents calling into the radio

	FY24	FY23	FY22	FY21
Cigarette Tax	14,570,774.87	16,058,687.64	17,680,718.75	19,100,113.64
Cigar, Snuff, and Tobacco Tax	6,749,720.68	6,759,326.15	6,771,049.22	6,883,646.43
	21,320,495.55	22,818,013.79	24,451,767.97	25,983,760.07

# **WHOLESALE COST**

## **A 48-Month Inflationary Glance**

### **Zyn Nicotine**

#### **Pouches**

		% Increase from Previous	% Increase from Sep 2021
Jan-25	\$4.23	1.05%	16.28%
Sep-24	\$4.18	2.90%	15.07%
Jul-24	\$4.07	2.32%	11.83%
Oct-23	\$3.97	0.90%	9.29%
Feb-23	\$3.94	3.60%	8.32%
Aug-22	\$3.80	1.61%	4.56%
Apr-22	\$3.74	0.75%	2.90%
Feb-22	\$3.71	2.14%	2.14%
Sep-21	\$3.64		

### **Vape Pods**

#### **4pk**

		% Increase from Previous	% Increase from Feb 2021
Jan-25	\$20.16	2.05%	53.06%
Jun-24	\$19.76	7.51%	49.99%
Feb-23	\$18.38	10.19%	39.52%
Aug-22	\$16.68	4.77%	26.61%
May-22	\$15.92	5.53%	20.84%
Mar-22	\$15.09	3.43%	14.51%
Sep-21	\$14.59	10.71%	10.71%
Feb-21	\$13.17		

### **Camel Snus Tin**

		% Increase from Previous	% Increase from Feb 2021
Jan-25	\$5.54	8.88%	45.37%
Nov-24	\$5.09	5.05%	33.51%
Jun-23	\$4.85	5.03%	27.09%
Feb-23	\$4.62	3.01%	21.00%
Oct-22	\$4.48	3.46%	17.47%
Apr-22	\$4.33	3.16%	13.53%
Jan-22	\$4.20	3.39%	10.06%
Jul-21	\$4.06	6.45%	6.45%
Feb-21	\$3.81		

### **Copenhagen Long Cut Can**

		% Increase from Previous	% Increase from Feb 2021
Jan-25	\$6.05	2.18%	23.91%
Jul-24	\$5.92	1.81%	21.26%
Mar-24	\$5.82	2.09%	19.11%
Nov-23	\$5.70	1.75%	16.67%
Jul-23	\$5.60	1.97%	14.67%
Mar-23	\$5.49	1.22%	12.45%
Jan-23	\$5.42	2.48%	11.10%
Jul-22	\$5.29	1.86%	8.41%
Apr-22	\$5.20	1.68%	6.43%
Jan-22	\$5.11	1.74%	4.67%

### **Marlboro Gold**

#### **Box**

		% Increase from Previous	% Increase from Feb 2021
Jan-25	\$7.91	2.20%	36.76%
Dec-24	\$7.74	2.25%	33.82%
Jul-24	\$7.57	2.30%	30.88%
May-24	\$7.40	2.78%	27.94%
Feb-24	\$7.20	2.11%	24.48%
Nov-23	\$7.05	2.47%	21.90%
Sep-23	\$6.88	2.38%	18.96%
May-23	\$6.72	2.28%	16.19%
Feb-23	\$6.57	2.34%	13.60%
Dec-22	\$6.42	2.39%	11.00%
Aug-22	\$6.27	2.49%	8.41%
May-22	\$6.11	2.55%	5.78%
Feb-22	\$5.96	3.15%	3.15%
Feb-21	\$5.78		

Aug-21	\$5.02	1.17%	2.88%
May-21	\$4.96	1.69%	1.69%
Feb-21	\$4.88		

talk shows and accessing other forms of media supporting our cause. It was apparent that many people didn't want to see a SIN TAX leveled on their friends and neighbors. On election day, **ND citizens resoundingly shot down the measure by a 62-38% margin.** Think about that number. It meant nearly 50% of the state's residents sided with roughly 15% of the smoking public. That's neighbor looking out for neighbor.

If there is a need for more dollars for suicide prevention in ND, the state has adequate money available to cover those costs. Again, **NDPMA urges a DO NOT PASS on SB 2281.**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2281  
2/5/2025

Relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

9:01 a.m. Chairman Weber called the meeting to order.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen.

### **Discussion Topics:**

- Amendment regarding language change

9:02 a.m. Chairman Weber updated committee on status of bill.

9:03 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2281  
2/10/2025

Relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

10:19 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- HB 1570 hearing date

10:19 a.m. Chairman Weber provided the committee with updates.

10:20 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*



# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2281  
2/17/2025

Relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

2:45 p.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Surrounding states tobacco tax amounts
- Current revenues from tobacco tax
- Exemptions for products classified as nicotine replacement therapy

2:48 p.m. Senator Walen moved a Do Pass.

2:49 p.m. Senator Rummel seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	N
Senator Chuck Walen	Y

Motion passed 5-1-0.

Senator Walen will carry the bill.

2:57 p.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2281 ([25.0684.02000](#))**

**Finance and Taxation Committee (Sen. Weber, Chairman)** recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2281 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**2025 HOUSE FINANCE AND TAXATION**

**SB 2281**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2281  
3/11/2025

Relating to a tax on cigars, other tobacco products, alternative tobacco products, electronic smoking devices, and electronic smoking device substances and a tobacco tax distribution fund; to amend and reenact section 57-36-01, subsection 1 of section 57-36-31, and section 57-36-32 of the North Dakota Century Code, relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

10:59 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Porter, Steiner, Toman

Members Absent: Representatives Porter, Dockter

### Discussion Topics:

- Public health concerns
- Electronic Cigarettes
- Crisis hotline
- Tobacco alternatives
- Nicotine pouches
- Oral health

10:59 a.m. Senator K. Hogan, District 21, ND Legislative Assembly, submitted testimony #40226, #40225, #40224, #40223, and #40222.

11:17 a.m. Heather Austin, Executive Director, Tobacco Free ND, testified in favor and submitted testimony #40370.

11:21 a.m. Mike Rud, President, ND Petroleum Marketers Association, testified in opposition and submitted testimony # 40566

11:33 a.m. Arik Spencer, President and CEO, Greater ND Chamber, testified in opposition.

11:35 a.m. Casey McRae, District Manager, Ignite Dispensary and Cigar, testified in opposition.

11:39 a.m. Ben Hanson, Government Relations Director, American Cancer Society Cancer Action Network, testified in opposition and submitted testimony #40383, #40384, #40385, #40382, and #40381.

11:47 a.m. James Curry, Director of External Affairs, Phillip Morris International US Corporate Services, testified in opposition and submitted testimony #39932.

11:53 a.m. Darius Endres, Sports Vape, testified in opposition and submitted testimony #39473.

**Additional written testimony:**

Mudi Kpohrator, President, Cigar Association of America, submitted testimony in opposition #39391.

Javayne Oyloe, Executive Director, Upper Missouri District Health Unit, submitted neutral testimony #39608.

Jodi Radke, Regional Director, Campaign for Tobacco-Free Kids, submitted testimony in opposition #39819.

Tim Blasl, President, ND Hospital Association, submitted testimony in favor #39962.

Rachel Fischer, Concerned Citizen, submitted testimony in favor #40055.

Shaley Lemke, Director of Work Force and Culture, FirstLink, submitted testimony in favor #40063.

Brenda Weiler submitted testimony in favor #40087.

Hailey Abrahamson, Call Specialist, FirstLink 221 Helpline, submitted testimony in favor #40090.

Karen Nitzkowski, ND Citizen, submitted testimony in favor #40099.

Katie Fitzsimmons, Board Member, Tobacco Free ND, Testified in favor and submitted testimony #40117.

Aaliyah Martinez, ND Citizen, submitted testimony in favor #40147.

Courtney Koebele, Executive Director, ND Medical Association, testified in favor and submitted testimony #40152.

Glynn Loope, Director of State Advocacy, Premium Cigar Association, submitted testimony in opposition #40157.

Jennifer Illich, Executive Director, FirstLink, submitted testimony in favor #40176.

Jenn Faul, Fargo Cass Public Health, testimony in favor #40263.

Abby Lange, Fargo Cass Public Health, testimony in favor #40274.

Faye Seidler, ND Suicide Prevention Advocate, submitted testimony in favor #40379.

John Illich, North Dakota Parent, submitted testimony in favor #40422.

Erin Haugen, Concerned Citizen, submitted testimony in favor #40424.

11:58 a.m. Chairman Headland adjourned the meeting.

*Janae Pinks, Committee Clerk*



March 6, 2025

House Finance and Taxation  
Testimony in Opposition to SB2281

Chair Headland, Vice Chair Hagert, and members of the House Finance and Taxation Committee,

The Cigar Association of America (CAA) submits the following testimony in opposition to SB2281, a bill that would raise the excise taxes on tobacco products, including cigars and pipe tobacco, in North Dakota. CAA is the leading national trade organization representing the interests of cigar manufacturers, importers, distributors, and major suppliers in the cigar and pipe tobacco industry, and therefore is, a key stakeholder in any discussion on the regulation of these products, as any changes in laws significantly impact its members and their ability to conduct business.

There is no policy or economic justification for the drastic increase in taxes on cigars and pipe tobacco proposed in SB2281. The most recent National Youth Tobacco Survey reported that nationwide youth usage of cigars is at 1.2% and youth usage of pipe tobacco was at 0.5% -- both historic lows. Therefore, any arguments or claims that an increase in excise taxes on these products will reduce youth usage are unfounded. Furthermore, pipe tobacco and cigars have a small, niche adult consumer base, meaning this proposed tax increase would disproportionately impact responsible adult consumers without any measurable effect on youth usage.

SB2281 will drive consumers to out-of-state and online markets which will kill jobs and small businesses in North Dakota, and limit opportunity for the state to collect tax revenue. During hearings on SB2281 before the Senate Finance and Taxation Committee, comparisons were made between tobacco tax rates in Minnesota and North Dakota. Under current law, North Dakota imposes a 28% excise tax on cigars, whereas Minnesota, despite having a higher rate, caps the tax at \$0.50 per cigar. As a result, a \$10 cigar today is taxed at \$0.50 in Minnesota but \$2.80 in North Dakota. If SB2281 passes, the tax in North Dakota would rise to \$6, which is 12 times higher than in Minnesota!

A significant tax increase would inevitably be passed on to consumers, driving them to seek lower-taxed alternatives elsewhere. Furthermore, North Dakota recently passed a bill allowing the establishment of cigar lounges and is considering another to facilitate licensing requirements. As these businesses are just beginning to establish themselves, the loss of a consumer base due to SB2281 could have a devastating impact on entrepreneurs entering the market. At a time when the legislature is working to support the industry's growth, passing this bill would directly undermine those efforts.

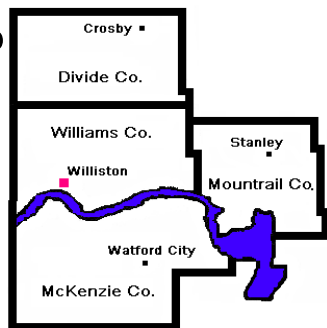
CAA appreciates the opportunity to submit this testimony in opposition to SB2281. The proposed tax hike would harm small businesses just getting on their feet, decrease state tax revenues, and impose an unnecessary financial burden on adult consumers in North Dakota. We encourage lawmakers to support policies that foster a stable business environment and protect Washington's small businesses.

Respectfully submitted,  
Scott Pearce - President, Cigar Association of America, Inc

Good morning Chairman and Committee members. My name is Darius Endres. I am the owner of Sports Vape in Fargo. I am writing to this committee to stand in opposition of SB 2281. Owning a small business is a constant uphill battle during these economic times, and at times it feels like an impossible battle. The rise in costs of inventory, insurance, rent, and liveable wages for your employees is a constant never ending struggle. The increase in cost of our inventory if this Bill were to pass would be detrimental to my business. Competing with the online market has been a losing battle for years. Online has a larger selection compared to a single brick-and-mortar shop. Online you can shop anywhere at any time. This Bill would just further fuel consumers to shop online causing more of my customers to shop elsewhere due to my high retail prices. Another concern I have would be the online shops that have illicit vape products. There is a huge influx of illicit vape products in the market. These products can cause serious health problems as many of them contain harmful chemicals that are not found in brick and mortar shops who are accountable to local public health and law enforcement. Our customers already pay sales tax. My business pays federal tax, state tax, payroll tax, and income tax. At what point do the taxes stop and give the small businesses in our state a fighting chance to succeed? If passed, this Bill could potentially lead to every shop like mine in ND to close its doors. ND is supposed to be the best state in the country for small business owners and entrepreneurs. But a huge tax on my products like the one in this Bill, is just too heavy of a financial burden for us shop owners. Hundreds of employees across the state would be unemployed and more vacant commercial properties will be added to the already many vacant commercial properties that we already have in Fargo. I kindly and strongly urge this Committee to give this Bill a recommended Do Not Pass. Enough with the taxes already. Thank you chairman and committee for your time and consideration.



www.umdhu.org



# Upper Missouri District Health Unit

*"Your Public Health Professionals"*

## DIVIDE COUNTY

Divide County Courthouse  
P.O. Box 69  
200 Main Street N  
Crosby, ND 58730  
Phone 701-965-6813  
Fax 701-965-6814

## MCKENZIE COUNTY

P.O. Box 1066  
201 5th St. NW Suite 1100  
Watford City, ND 58854  
Phone 701-444-3449  
Fax 701-842-6985

## MOUNTRAIL COUNTY

Memorial Building  
P.O. Box 925  
18 2<sup>nd</sup> Ave SE  
Stanley, ND 58784  
Phone 701-628-2951  
Fax 701-628-1294

## WILLIAMS COUNTY

110 W. Bdwy, Ste 101  
Williston, ND 58801-6056  
Phone 701-774-6400  
Fax 701-577- 8536  
Toll Free 1-877-572-3763

## Testimony

### Senate Bill 2281

### House Finance and Taxation

March 11, 2025

Good morning, Chairman Headland and members of the committee. I am Javayne Oyloe, Executive Officer of Upper Missouri District Health Unit (UMDHU). I have worked in public health for nearly 29 years. I worked primarily in tobacco prevention for 13 of those years. UMDHU provides local public health services to Divide, McKenzie, Mountrail and Williams Counties.

We have seen an increase in new tobacco products, and we know youth nicotine use is unsafe. For that reason, I appreciate inclusion of alternative tobacco products and electronic smoking devices in this bill as people are looking for ways to quit using these products, and a substantial increase in taxes can reduce tobacco use. I am in support of a taxing structure that provides another tool for people when they are ready to quit using tobacco and alternative products.

Local public health appreciates the support and forethought that went into this bill to provide funding to local public health and 988 for people in crisis. Local public health is the safety net for communities, and we are grateful for legislative support.



1400 EYE STREET, N.W. • SUITE 1200 • WASHINGTON, DC 20005  
PHONE (202) 296-5469 • FAX (202) 296-5427

**Testimony of Jodi Radke, Regional Advocacy Director, Campaign for Tobacco-Free Kids**

**SB 2281  
March 11, 2025**

On behalf of the Campaign for Tobacco-Free Kids, I am submitting this written testimony to the House Finance and Taxation Committee regarding SB 2281.

The bill proposes to increase the tax on cigarettes by 25 cents per pack, tax cigars at 32% of the wholesale price, implement a tax on e-cigarettes and nicotine vaping products, and dedicate a portion of the new funds to local public health and organizations providing 988 crisis hotline services.

**While we support increasing the tax on all commercial tobacco products, closing the tax loophole on e-cigarettes, and dedicating revenue to cessation and prevention services, we have concerns with the cigarette tax increase amount proposed in this bill.**

Research shows that cigarette tax increases must be large enough to significantly impact the price of cigarettes to motivate people to quit and deter youth from initiating tobacco use. At only 25 cents per pack, the proposed cigarette tax increase will not generate public health gains.

As an alternative, we support a cigarette tax of \$1.00 per pack or higher. North Dakota has a tremendous opportunity to reduce tobacco use and dramatically improve health, while at the same time reducing health care costs, making our workforce healthier and more productive, and raising revenue for vital programs here in North Dakota.

At only 44 cents per pack, North Dakota's cigarette tax hasn't been raised since 1993 and ranks near dead last among all states – 49th in the country – and much lower than the average state cigarette tax of \$1.97 per pack. During that time, the price of cigarettes in North Dakota has increased by 310% due to company price increases and inflation, while the tax has remained the same: back in 1993, the 44-cent tax was 24% of the retail price (\$1.80), but in 2023 (most recent available), the current tax only makes up 6% of the retail price (\$7.395).<sup>1</sup>

Since North Dakota's last cigarette tax increase over 30 years ago, most states – 48 and DC – have increased their cigarette taxes, with 39 states and DC increasing their cigarette tax multiple times since then. We are being left behind as other states modernize their tobacco taxes to address the array of new tobacco and nicotine products that directly target our kids.

A comprehensive approach to tobacco prevention - including regular and significant increases on cigarettes and taxing all tobacco products at an equivalent rate - is a win-win for North Dakota. It's a win for health because it will reduce tobacco use and its devastating health effects. It's also a win for the state economy because it will lower health care costs through reductions in tobacco use.

## Health WIN

Despite declines in tobacco use over the years, tobacco use still exacts a heavy toll on North Dakota today. Tobacco use takes the life of 1,000 of your fellow North Dakotans – your mothers, fathers, brothers, sisters, friends, and other loved ones – every year.<sup>2</sup> This horrible toll will continue unless we act aggressively. Without action, many kids in North Dakota will become regular daily smokers and are risking a lifetime of associated health problems and premature death.<sup>3</sup>

Closing loopholes in the tax on other tobacco products will further drive down tobacco use, particularly among the trendy products that are attracting our kids. When tobacco product prices go up significantly, tobacco use goes down, especially among kids. The science could not be clearer. Based on over 100 studies, experts have concluded that raising tobacco taxes is one of the most effective measures we can take to reduce smoking.<sup>4</sup> The 2014 Surgeon General's Report, *The Health Consequences of Smoking—50 Years of Progress*, found that “Raising prices on cigarettes is one of the most effective tobacco control interventions.”<sup>5</sup> In addition, Wall Street tobacco analysts and even the tobacco companies agree with the National Cancer Institute, the CDC, the Institute of Medicine of the National Academy of Sciences and the World Bank in finding that raising tobacco prices reduces tobacco use.<sup>6</sup>

Now there aren't too many things that health advocates and the tobacco companies agree on, but this is one. And that's why health groups like mine, along with the American Cancer Society, the American Heart Association, the American Lung Association, and many others, support the tobacco tax increase and why the tobacco companies oppose it.

**Small tax increases of much less than a dollar per pack aren't large enough to make an impact on health because tobacco companies spend billions of dollars each year to nullify such small increases with price discounts and other promotions.<sup>7</sup> For instance, after Louisiana's 50-cent cigarette tax increase in 2015, cigarettes were being sold in that state with 50-cent coupons attached right on the packs.**

It's also important to adjust the tax on other tobacco products when the cigarette tax is raised to make these addictive products less affordable by kids. Nowadays there's a huge array of candy-flavored nicotine, like e-cigarettes and nicotine pouches, that are fueling North Dakota's youth nicotine and tobacco problem. Keeping prices on these products high will keep them away from our kids. It's time for North Dakota to close that loophole and tax all tobacco products.

Some people may argue that we need to keep prices on certain products lower than others, but the truth is that the data aren't out there to show how much less harmful certain products might be compared to others. But what we do know is that any form of nicotine is bad for our kids – it's highly addictive, can harm adolescent brain development, and affect memory and learning. We have a shared responsibility to keep these dangerous and addictive products away from children. We should make sure that the prices of all tobacco products – through a tax increase – are high enough to keep them out of kids' hands.

These tremendous gains in health from a tax increase will be further enhanced if North Dakota dedicates some portion of the new revenues to tobacco prevention and cessation efforts. The latest Surgeon General's Report noted, “A cigarette tax increase may have the greatest impact on reducing tobacco use when the tax increase is large and combined with comprehensive cessation support.”<sup>8</sup> States that have invested in comprehensive tobacco prevention and cessation programs have reduced tobacco use at rates far greater than the rest of the country, and these declines are in addition to those caused by tobacco price increases.

## Economic WIN

The resulting reductions in tobacco use will benefit North Dakota's economy by reducing health care costs and raising revenue.

Tobacco-related diseases amount to \$379 million in direct health care costs in North Dakota each year, much of it borne by taxpayers.<sup>9</sup> Whether they smoke or not, each household in the state pays \$910 per year to cover these tobacco-related health care costs. Reducing tobacco use through a significant tobacco tax increase will have a considerable impact on decreasing the heavy economic toll of tobacco in this state.

In addition, reducing tobacco use among North Dakotans means a healthier work force. In North Dakota, productivity losses from smoking-caused premature death or illnesses that impact the ability to work (i.e., absenteeism, non-productivity at work, and inability to work due to disability) amounts to over \$715 million per year.<sup>10</sup> Businesses considering starting or expanding here are looking for a healthy workforce to keep health care costs low, so tobacco use is an economic development issue as well.

## Opposition Arguments

As you debate this issue, you will hear a lot of talk about cigarette smuggling, or how smokers will avoid the new tax through cross-border sales, which opponents argue will lead to lost business, higher unemployment, and substantial amounts of new revenue for the states bordering North Dakota. Of course, these claims are overblown.

*Cross-Border Sales.* We do not pretend that tax avoidance is non-existent. Indeed, there will be some who try to avoid paying the increased tax. But while some of this will occur, tax avoidance will be nominal, short-lived for most, and will not come anywhere near offsetting the tremendous benefits of the tobacco tax increase.

The tobacco industry and its allies will no doubt be pushing this message to oppose this tax increase. For instance, the Mackinac Center for Public Policy and the Tax Foundation has issued annual reports claiming to quantify the level of illegal cigarette sales across state borders. There are many reasons to be skeptical of these claims. Both groups have a long history of receiving funding from tobacco companies such as Altria (the makers of Marlboro cigarettes), so it's no surprise that they would release something that reflects the position of their funders. In fact, the National Research Council and Institute of Medicine comprehensively reviewed the evidence on tobacco smuggling in the U.S. and found that "industry-sponsored estimates of the size of the illicit market tend to be inflated. More generally, concerns have been raised about the quality and transparency of industry-funded research on the illicit tobacco trade."<sup>11</sup>

When you hear claims of smuggling, tax evasion and potential for lost revenues, look at the dozens of tax increases over the years and the data showing how much revenue the state received before and after the cigarette tax increases. Time and time again you will see that the state that raises its tobacco tax does better than a neighboring state that does not.

In the 12 months following its 1993 cigarette tax increase, North Dakota's cigarette tax revenue increased by 42.5 percent compared to the 12 months before the increase. Meanwhile, revenue decreased in Montana and increased by small amounts in South Dakota (\$889,000) and Minnesota (\$4,000) during that period.<sup>12</sup>

This has happened over and over again with other states. After South Dakota's \$1.00 per pack cigarette tax increase in 2007, its cigarette tax revenue increased by 115.4 percent (\$31.8 million), while revenue declined in North Dakota and Minnesota, and increased slightly in Montana (\$1.9 million), Nebraska (\$4.7 million), and Wyoming (\$2.0 million). Iowa's revenue increased significantly during that period, but that was because Iowa itself had increased its cigarette tax rate a few months after South Dakota's increase.<sup>13</sup>

After its \$1.00 per pack cigarette tax increase in 2018, Oklahoma's cigarette tax revenues increased by 45 percent (\$104.1 million) while cigarette tax revenues declined in all of its surrounding states, including in Missouri, where the cigarette tax is only 17 cents per pack compared to Oklahoma's \$2.03 per pack.<sup>14</sup>

Based on these examples, it's clear that the state that increases its tobacco taxes is reducing smoking, saving lives, and lowering health care costs, all while increasing revenue, while neighboring states will have only minimal revenue gains, if any, and even fewer health gains.

To protect your revenues and minimize tax evasion, the state can implement several proven measures, such as adopting new tax stamp technology and increasing enforcement, which will help minimize any tax evasion and maximize revenue.

*Impact on Businesses and Employment.* The opposition claims that stores will lose substantial revenue and be forced to close as a result of any tax increase, published research shows just the opposite. A national report looking at over 20 years of data in the U.S. found that while cigarette sales have declined, the number of convenience stores, inside-store sales revenues, cigarette sales revenues, and profits have all generally increased.<sup>15</sup> These findings are consistent with a large body of research that shows that policies that reduce tobacco use do not have a negative impact on the economy, including on the number of convenience stores and tobacco retailers.<sup>16</sup>

When people stop purchasing tobacco products, they will continue to buy other products in the state, which contribute to the state's economy, including profits for small businesses. For instance, a pack-a-day smoker in North Dakota can use the \$3,000 per year they would have spent on cigarettes for other purchases or services in the state.<sup>17</sup>

And, as mentioned earlier, smoking takes a huge toll on productivity in this state. Lowering tobacco use with the tobacco tax increase can ensure a stronger workforce to attract more business to North Dakota.

*Impact on Lower-Income Populations.* Those who tell you that a tobacco tax increase is regressive somehow ignore the fact that tobacco itself exacts a disproportionate toll on the health of lower income families – that is what's regressive. The higher smoking rates among lower-income groups means they suffer disproportionately more from smoking and pay more in health care costs. Former Secretary of the U.S. Treasury, and co-chair of the Task Force on Fiscal Policy for Health, Larry Summers, stated, "An ethical judgment about taxing harmful products cannot rely on the question of tax regressivity alone.

Rather, it requires consideration of all the effects, including the associated health benefits, externalities, and health-care costs."<sup>18</sup>

Economic studies and reports from the CDC, the National Cancer Institute, the World Health Organization, and the International Agency for Research, show that lower-income smokers are price-sensitive and more likely to quit smoking in response to a price increase than higher-income smokers.<sup>19</sup> The latest Surgeon General's Report concluded, "The evidence is sufficient to conclude that increases in tobacco product prices will reduce tobacco use to a greater extent among people of lower SES than they do for people of higher SES."<sup>20</sup> That is a major benefit for low-income families.

Remember, this is the industry that said, "We don't smoke that s\_\_\_. We just sell it. We reserve the right to smoke for the young, the poor, the black and stupid."<sup>21</sup> The tobacco industry heavily targets their products to vulnerable low-income Americans to get them addicted to these deadly products and then tries to claim that they're looking out for them. In a 2015 report, Wall Street analysts celebrated the tobacco industry's opportunities to "drive" tobacco sales among those they call "lower-income consumers – i.e. the tobacco consumer."<sup>22</sup> It is hypocritical for the tobacco industry to claim that they oppose tobacco tax increases out of concern for the lower income population, while at the same time targeting them to increase sales and maximize profits.

## Conclusion

Overall, we support increasing the state tax on cigarettes and taxing e-cigarettes as tobacco products. We also support dedicating tobacco tax revenue to improving health. I want to thank Senator Hogan for her leadership, dedication and partnership in reducing the toll of tobacco in North Dakota. In the spirit of our shared goals, I urge Senator Hogan and all legislators to support a significantly higher tax increase on cigarettes to generate the public health gains that we all seek.

Thank you.

---

<sup>1</sup> Orzechowski & Walker, *The Tax Burden on Tobacco*, 2023 [an industry-funded report].

<sup>2</sup> U.S. Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs—2014*, <https://www.cdc.gov/tobacco/stateandcommunity/guides/pdfs/2014/comprehensive.pdf>.

<sup>3</sup> Estimate based on U.S. Dept of Health & Human Services (HHS), "Results from the 2023 National Survey of Drug Use and Health: Summary of National Findings and Detailed Tables," with the state share of the national number estimated proportionally based on the projected number of youth smokers ages 0-17 reported in U.S. Department of Health and Human Services (HHS), *The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General*, 2014, [https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf).

<sup>4</sup> See, e.g., Chaloupka, FJ, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine and Tobacco Research* 1(Suppl 1):S105-9, 1999; Tauras, J, "Public Policy and Smoking Cessation Among Young adults in the United States," *Health Policy* 6:321-32, 2004; Tauras, J, et al., "Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis," *Bridging the Gap Research, ImpacTeen*, April 24, 2001. Chaloupka, FJ & Pacula, R, *An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies*, National Bureau of Economic Research, Working Paper 6541, April 1998; Emery, S, et al., "Does Cigarette Price Influence Adolescent Experimentation?," *Journal of Health Economics* 20:261-270, 2001; Evans, W & Huang, L, *Cigarette Taxes and Teen Smoking: New Evidence from Panels of Repeated Cross-Sections*, working paper, April 15, 1998; Harris, J & Chan, S, "The Continuum-of-Addiction: Cigarette Smoking in Relation to Price Among Americans Aged 15-29," *Health Economics Letters* 2(2):3-12, February 1998, <http://www.mit.edu/people/jeffrey/HarrisChanHEL98.pdf>. U.S. Department of Health and Human Services (HHS), *Reducing Tobacco Use: A Report of the Surgeon General*, Atlanta, Georgia: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000, [https://archive.cdc.gov/www/cdc\\_gov/tobacco/sgr/2000/index.htm](https://archive.cdc.gov/www/cdc_gov/tobacco/sgr/2000/index.htm). HHS, *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, Atlanta, GA: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014, [https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf). See also, Campaign for Tobacco-Free Kids (CTFK), *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>.

<sup>5</sup> HHS, *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, 2014. Additional statements in support of tobacco tax increases are attached to this testimony and are also available at CTFK factsheet, *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*, <https://assets.tobaccofreekids.org/factsheets/0146.pdf> and CTFK factsheet, *Excerpts from the 2012 & 2014 Surgeon General's Reports Supporting Tobacco Tax Increases*, <https://assets.tobaccofreekids.org/factsheets/0372.pdf>.

<sup>6</sup> National Cancer Institute, World Health Organization, *The Economics of Tobacco and Tobacco Control*, Monograph 21, 2016, <https://cancercontrol.cancer.gov/bp/ctcr/monographs/monograph-21>. Institute of Medicine (IOM), *Ending the tobacco problem: A blueprint for the nation*, Washington, DC: The National Academies Press, 2007, <https://nap.nationalacademies.org/catalog/11795/ending-the-tobacco-problem-a-blueprint-for-the-nation>. IOM, *Taking Action to Reduce Tobacco Use*, Washington, DC: National Academy Press, 1998, <https://nap.nationalacademies.org/catalog/6060/taking-action-to-reduce-tobacco-use>. World Health Organization (WHO), *WHO technical manual on tobacco tax policy and administration*, 2021, <https://www.who.int/publications/i/item/9789240019188>. The World Bank, *Curbing the Epidemic: Governments and the Economics of Tobacco Control*, May 1999, <https://documents1.worldbank.org/curated/en/914041468176678949/pdf/multi-page.pdf>. See also, CTFK, *Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know It)*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>.

<sup>7</sup> See CTFK factsheet, *Significant Tobacco Tax Increases Reduce Tobacco Use, Particularly among Youth, Despite Tobacco Company Price Discounts and Promotional Efforts*, <https://assets.tobaccofreekids.org/factsheets/0402.pdf>.

<sup>8</sup> HHS, *Eliminating Tobacco-Related Disease and Death: Addressing Disparities—A Report of the Surgeon General*, Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2024, at 598, <https://www.hhs.gov/sites/default/files/2024-sgr-tobacco-related-health-disparities-full-report.pdf>.

<sup>9</sup> CDC, *Best Practices for Comprehensive Tobacco Control Programs—2014*, <https://www.cdc.gov/tobacco/stateandcommunity/guides/pdfs/2014/comprehensive.pdf>.

<sup>10</sup> CDC, *Best Practices for Comprehensive Tobacco Control Programs*, 2014; CDC, *Smoking Attributable Mortality, Morbidity and Economic Costs (SAMMEC)*, <https://archive.cdc.gov/#/details?url=https://www.cdc.gov/statesystem/HealthConsequencesandCosts.html>; Shrestha, SS, et al., "Cost of Cigarette Smoking—Attributable Productivity Losses, U.S., 2018," *American Journal of Preventive Medicine* 63(4):478-485, 2022.

<sup>11</sup> National Research Council (NRC) & Institute of Medicine (IOM), *Understanding the U.S. Illicit Tobacco Market: Characteristics, Policy Context, and Lessons from International Experiences*, Committee on the Illicit Tobacco Market: Collection and Analysis of the International Experience, P. Reuter and M. Majumdar, Eds. Committee on Law and Justice, Division of Behavioral and Social Sciences and Education. Board on Population Health and Public Health Practice, Institute of Medicine. Washington, DC: The National Academies Press, 2015, <https://www.nap.edu/catalog/19016/understanding-the-us-illicit-tobacco-market-characteristics-policy-context-and>.

<sup>12</sup> Data from Orzechowski & Walker, *The Tax Burden on Tobacco* monthly reports [an industry-funded report].

<sup>13</sup> Data from Orzechowski & Walker, *The Tax Burden on Tobacco* monthly reports [an industry-funded report].

<sup>14</sup> Data from Orzechowski & Walker, *The Tax Burden on Tobacco*, 2023 [an industry-funded report].

<sup>15</sup> Tauras, JA & Chaloupka, FJ, *The Economic Effects of Cigarette Sales and Flavor Bans on Tobacco Retail Businesses*, *Tobacconomics*, 2023, <https://www.economicsforhealth.org/research/the-economic-effects-of-cigarette-sales-and-flavor-bans-on-tobacco-retail-businesses/>.

<sup>16</sup> Warner, K, et al., "Employment implications of declining tobacco product sales for the regional economies of the United States," *Journal of the American Medical Association (JAMA)* 275(16):1241-6, April 24, 1996. Warner, K, "Implications of a nicotine-free society," *Journal of Substance Abuse* 1(3):359-68, 1989. Warner, K & Fulton, G, "The economic implications of tobacco product sales in a non-tobacco state," *JAMA* 271(10):771-6, March 9, 1994. Golden, SD, et al., "Trends in the Number and Type of Tobacco Product Retailers, United States, 2000-2017," *Nicotine & Tobacco Research* 24(1):77-84, 2022. Huang, J & Chaloupka, FJ, "The Economic Impact of State Cigarette Taxes and Smoke-free Air Policies on Convenience Stores," *Tobacco Control* 22(2):91-6, 2013. Ribisl, KM, Evans, WN, & Feighery, EC, "Falling cigarette consumption in the U.S. and the impact upon tobacco retailer employment," in Bearman, P, Neckerman, K, & Wright, L, eds. *Social and Economic Consequences of Tobacco Control Policy*, New York: Columbia University Press, 2011.

<sup>17</sup> CTFK, *Immediate Smoker Savings from Quitting in Each State*, <https://assets.tobaccofreekids.org/factsheets/0337.pdf>.

<sup>18</sup> Summers, LH, "Taxes for health: evidence clears the air," *The Lancet*, published online April 4, 2018, [http://dx.doi.org/10.1016/S0140-6736\(18\)30629-9](http://dx.doi.org/10.1016/S0140-6736(18)30629-9).

---

<sup>19</sup> CTFK, *Tobacco Tax Increases Benefit Lower-Income Smokers & Families*, <https://assets.tobaccofreekids.org/factsheets/0147.pdf>. See also, U.S. Centers for Disease Control and Prevention (CDC), "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," *Morbidity and Mortality Weekly Report* 47(29):605-609, July 31, 1998, <http://www.cdc.gov/mmwr/preview/mmwrhtml/00054047.htm>.

<sup>20</sup> HHS, *Eliminating Tobacco-Related Disease and Death: Addressing Disparities—A Report of the Surgeon General*, 2024, at 717.

<sup>21</sup> Giovanni, J, "Come to Cancer Country; USA; Focus," *The Times of London*, August 2, 1992 [quoting Dave Goerlitz, RJ Reynolds' lead Winston model for seven years, re what an R.J. Reynolds executive replied to him when Goerlitz asked why the executive did not smoke].

<sup>22</sup> Wells Fargo Securities, "Tobacco Talk"—Q4 U.S. Retailer Survey, January 27, 2015.





## RAISING CIGARETTE TAXES REDUCES SMOKING, ESPECIALLY AMONG KIDS (AND THE CIGARETTE COMPANIES KNOW IT)

---

Based on a comprehensive review of evidence, the Surgeon General has called raising prices on cigarettes “one of the most effective tobacco control interventions” because increasing price is proven to reduce smoking, especially among kids.<sup>1</sup> However, the cigarette companies have opposed tobacco tax increases by arguing that raising cigarette prices would not reduce adult or youth smoking. But the companies’ internal documents, disclosed in the tobacco lawsuits, show that they know very well that raising cigarette prices is one of the most effective ways to prevent and reduce smoking, especially among kids. The World Health Organization stated it succinctly, “Tobacco taxes work. This is why the industry invests so much money and effort in blocking large tax increases and other effective tax policy reforms.”<sup>2</sup>

- Philip Morris: *Of all the concerns, there is one - taxation - that alarms us the most. While marketing restrictions and public and passive smoking [restrictions] do depress volume, in our experience .... ~~but~~ depresses it much more severely. Our concern for taxation is, therefore, central to our thinking .....*<sup>3</sup>
- Philip Morris: *When the tax goes up, industry loses volume and profits as many smokers cut back.*<sup>4</sup>
- RJ Reynolds: *If prices were 10% higher, 12-17 incidence [youth smoking] would be 11.9% lower.*<sup>5</sup>
- Philip Morris: *It is clear that price has a pronounced effect on the smoking prevalence of teenagers, and that the goals of reducing teenage smoking and balancing the budget would both be served by increasing the Federal excise tax on cigarettes.*<sup>6</sup>
- Philip Morris: *Jeffrey Harris of MIT calculated...that the 1982-83 round of price increases caused two million adults to quit smoking and prevented 600,000 teenagers from starting to smoke...We don't need to have that happen again.*<sup>7</sup>
- Philip Morris: *A high cigarette price, more than any other cigarette attribute, has the most dramatic impact on the share of the quitting population...price, not tar level, is the main driving force for quitting.*<sup>8</sup>

[For more on cigarette company documents and price/tax increases see the 2002 study in the *Tobacco Control* journal, “Tax, Price and Cigarette Smoking: Evidence from the Tobacco Documents.”<sup>9</sup>]

The cigarette companies have even publicly admitted the effectiveness of tax increases to deter smoking in their required filings with the U.S. Securities and Exchange Commission.

- Philip Morris: *Tax increases are expected to continue to have an adverse impact on sales of tobacco products by our tobacco subsidiaries, due to lower consumption levels...* [10-Q Report, November 3, 2008]
- Lorillard Tobacco: *We believe that increases in excise and similar taxes have had an adverse impact on sales of cigarettes. In addition, we believe that future increases, the extent of which cannot be predicted, could result in further volume declines for the cigarette industry, including Lorillard Tobacco* [10-Q Report, November 4, 2008]
- R.J. Reynolds: *Together with manufacturers’ price increases in recent years and substantial increases in state and federal taxes on tobacco products, these developments have had and will likely continue to have an adverse effect on the sale of tobacco products.* [10-Q Report, October 24, 2008]

Or, as the Convenience Store News put it: “It’s not a hard concept to grasp -- as taxes on cigarettes goes up, sales of cigarettes go down.”<sup>10</sup>

**Economic Research Confirms That Cigarette Tax Increases Reduce Smoking.** Numerous economic studies in peer-reviewed journals have documented that cigarette tax or price increases reduce both adult and underage smoking. The general consensus is that nationally, every 10 percent increase in the real price of cigarettes reduces adult smoking by about two percent, reduces smoking among young adults by about 3.5 percent, reduces the number of kids who smoke by six or seven percent, and reduces overall cigarette consumption by approximately three to five percent.<sup>11</sup> Research studies have also found that:

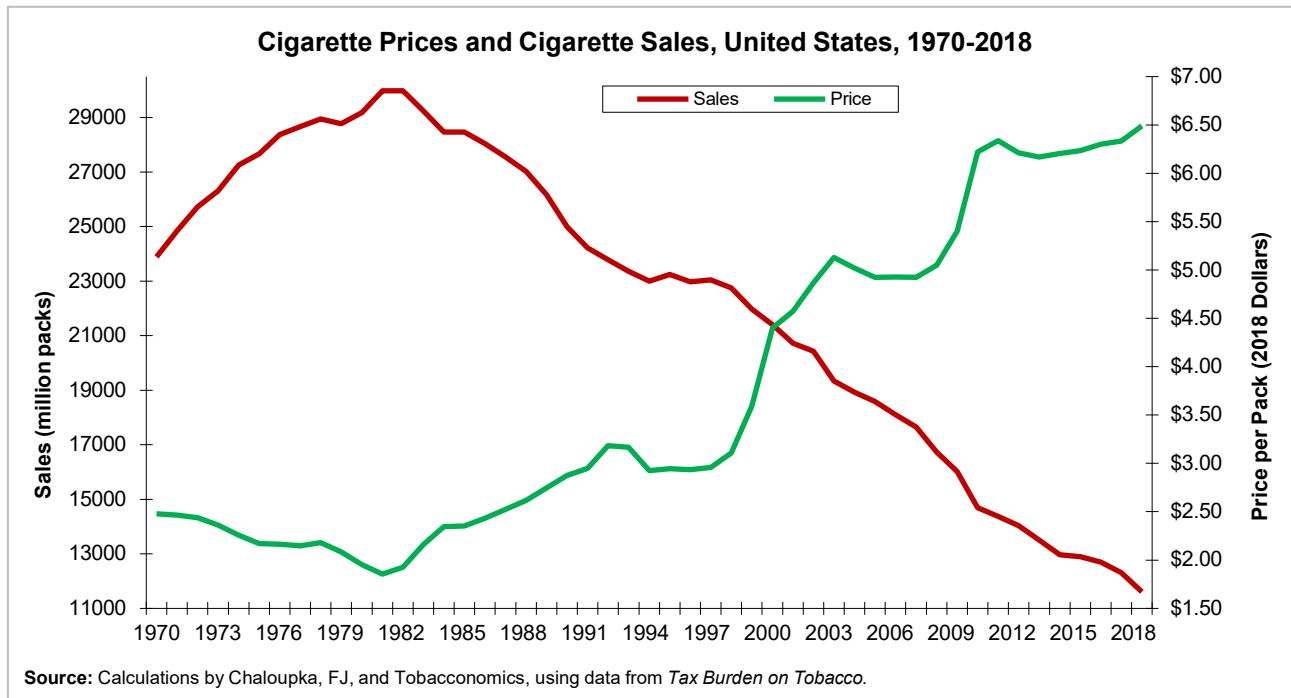
- Cigarette price and tax increases work even more effectively to reduce smoking among Blacks, Hispanics, and lower-income smokers.<sup>12</sup>



- A cigarette tax increase that raises prices by ten percent will reduce smoking among pregnant women by seven percent, preventing thousands of spontaneous abortions and still-born births, and saving tens of thousands of newborns from suffering from smoking-affected births and related health consequences.<sup>13</sup>
- Higher taxes on smokeless tobacco reduce its use, particularly among young males; and increasing cigar prices through tax increases reduce adult and youth cigar smoking.<sup>14</sup>
- By reducing smoking levels, cigarette tax increases reduce secondhand smoke exposure among nonsmokers, especially children and pregnant women.

### **Increasing Cigarette Prices and Declining Consumption**

Although there are many other factors involved, the trends in cigarette prices and overall U.S. cigarette consumption from 1970 to 2017 show that there is a strong correlation between increasing prices and decreasing consumption.



While U.S. cigarette prices are largely controlled by the tobacco companies' price-setting decisions, increases in federal and state cigarette taxes also impact prices. Since 1970, the federal tax on cigarettes increased from eight cents to \$1.01 per pack, with the largest one-time increase of 61.66 cents per pack occurring in 2009. Meanwhile, the average state cigarette tax has increased from 10 cents to \$1.97 per pack today. Without these federal and state tax increases, U.S. cigarette prices would be much lower and U.S. smoking levels would be much higher.

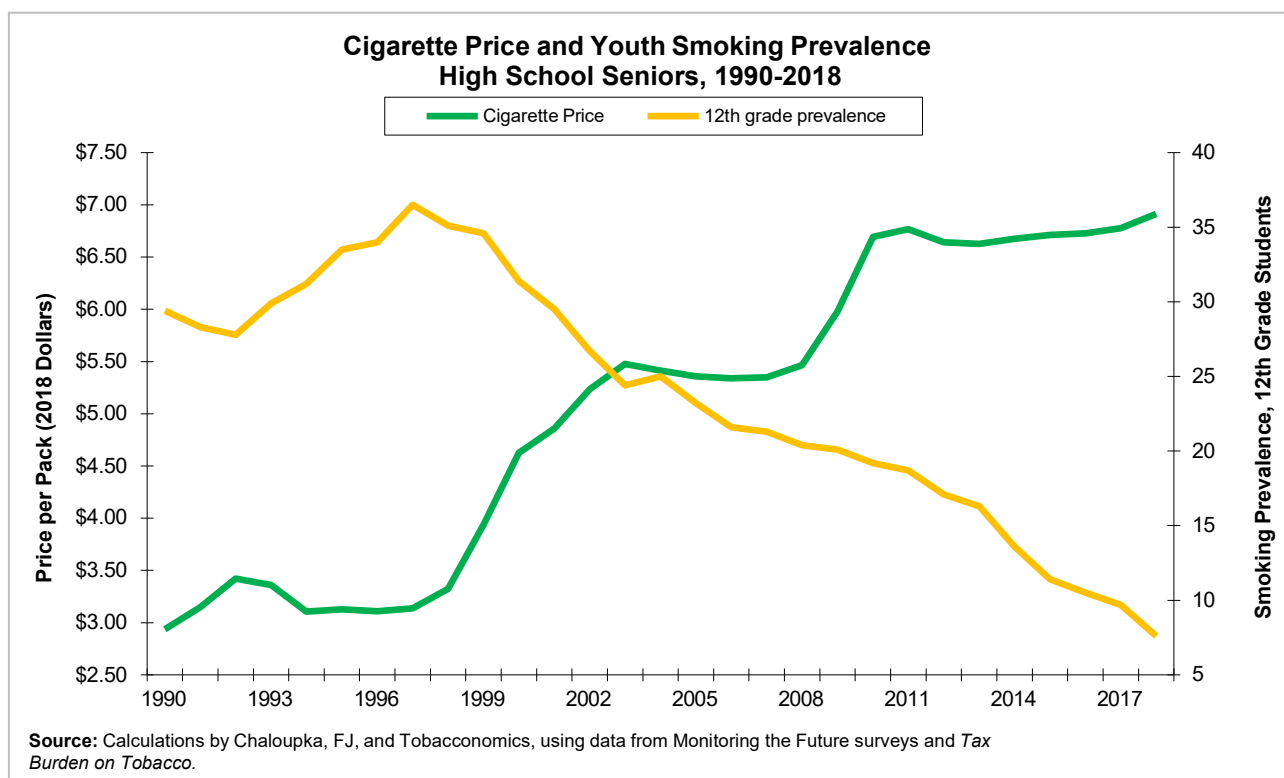
**2009 Federal Experience.** After the 2009 federal tobacco tax increase passed, calls to the national quitline (1-800-QUITNOW), which provides assistance to people who want to quit, increased by 30 percent in the 12 months after the increase compared to the 12 months before.<sup>15</sup> In 2009, national pack sales declined by 8.3 percent— the largest one-year decline since 1932.

**State Experiences.** In every single state that has significantly raised its cigarette tax rate, pack sales have gone down sharply.<sup>16</sup> While some of the decline in pack sales comes from interstate smuggling and from smokers going to other lower-tax states to buy their cigarettes, reduced consumption from smokers quitting and cutting back plays a more powerful role. As shown above, nationwide data – which count both legal in-state purchases and packs purchased through cross-border, Internet, or smuggled sales – show that overall packs sales go down as state cigarette tax increases push up the average national price.

Data show that state cigarette tax increases are prompting many smokers to quit or cutback. For example, after Oklahoma's \$1.00 per pack cigarette tax increase went into effect on July 1, 2018, its Tobacco Helpline

saw an 85 percent increase in registrations in the first month compared to the same period the year before.<sup>17</sup> Similarly, Wisconsin Quit Line received a record-breaking 20,000 calls in the first two months after its \$1.00 per cigarette pack increase (it typically receives 9,000 calls per year).<sup>18</sup> Likewise, in Texas and Iowa, which each increased their cigarette taxes by \$1.00 in 2007, the number of calls to the state quitlines were much higher compared to the year before.<sup>19</sup> It is also clear that these efforts to quit by smokers after tax increases translate directly into lower future smoking rates. In Washington state, for example, adult smoking from the year before its 60-cent cigarette tax increase in 2002 to the year afterwards declined from 22.6 to 19.7 percent, reducing the number of adult smokers in the state by more than 100,000, despite overall population increases.<sup>20</sup>

**Prices and Youth Smoking Rates.** The chart below shows the association between youth smoking prevalence and cigarette pack prices. As prices climbed in the late 1990s and early 2000s, youth smoking rates declined, but as the price decreased between 2003 and 2005 (along with funding for tobacco prevention programs in many states), youth rates increased. The large federal tobacco tax increase in 2009, as well as other state tax increases, helped drive further declines in youth smoking rates.



Researchers found that the 61.66-cent federal cigarette tax rate increase on April 1, 2009 had a substantial and immediate impact on youth smoking. The percentage of students who reported smoking in the past 30 days dropped between 9.7 percent and 13.3 percent immediately following the tax increase, resulting in an estimated 220,000 to 287,000 fewer current smokers among middle and high school students in May 2009.<sup>21</sup>

### **Expert Conclusions on Cigarette Prices and Smoking Levels**

- The 2024 Surgeon General's Report, *Eliminating Tobacco-Related Disease and Death: Addressing Disparities*, concluded, "The evidence is sufficient to conclude that increases in tobacco product prices will reduce tobacco use to a greater extent among people of lower SES than they do for people of higher SES. Youth are especially price-sensitive, and price increases could help reduce tobacco use among people from all population groups at the age when they are most likely to begin smoking."<sup>22</sup>
- The World Health Organization (WHO)'s 2021 *Technical Manual on Tobacco Tax Policy and Administration* stated, "The evidence is clear: significant increases in excise taxes that lead to price increases have consistently proven to be the most effective, as well as the most cost-effective, mechanism for reducing tobacco consumption."<sup>23</sup>

- The National Cancer Institute (NCI) and WHO concluded in their 2017 report, *The Economics of Tobacco and Tobacco Control*, “A substantial body of research, which has accumulated over many decades and from many countries, shows that significantly increasing the excise tax and price of tobacco products is the single most consistently effective tool for reducing tobacco use. Significant increases in tobacco taxes and prices reduce tobacco use by leading some current users to quit, preventing potential users from initiating use, and reducing consumption among current users.”<sup>24</sup>
- The 2014 Surgeon’s General Report recommends increasing tobacco taxes to reduce or prevent tobacco use. Specifically, the report states, “Evidence shows that large tax and, hence, price increases will decrease tobacco use each time they are implemented.”<sup>25</sup>
- In November 2012, the Community Preventive Services Task Force, under the U.S. Department of Health and Human Services, completed a thorough review of recent evidence on the effectiveness of tobacco product price increases, including increasing tobacco taxes. Based on that work, the Task Force “recommends interventions that increase the unit price of tobacco products based on strong evidence of effectiveness in reducing tobacco use. Evidence is considered strong based on findings from studies demonstrating that increasing the price of tobacco products: Reduces the total amount of tobacco consumed; Reduces the prevalence of tobacco use; Increases the number of tobacco users who quit; Reduces initiation of tobacco use among young people; Reduces tobacco-related morbidity and mortality.”<sup>26</sup>
- The 2012 Surgeon General’s report, *Preventing Tobacco Use Among Youth and Young Adults*, stated, “Federal, state, and local taxes that raise prices on tobacco products improve public health by reducing initiation, prevalence, and intensity of smoking among young people. Comprehensive reviews of the literature on the effect of price on tobacco consumption estimate a 3–5% reduction in overall cigarettes consumed as a result of a 10% increase in cigarette prices, and youth and young adults have proven to be even more responsive than adults to higher cigarette prices.”<sup>27</sup>
- In its 2007 report, *Ending the Tobacco Problem: A Blueprint for the Nation*, the National Academy of Sciences’ Institute of Medicine recommends raising cigarette taxes in states with low rates and indexing them to inflation, to reduce cigarette consumption and to provide money for tobacco control. The report states, “Tobacco excise tax revenues pose a potential funding stream for state tobacco control programs. Setting aside about one-third of the per-capita proceeds from tobacco excise taxes would help states fund programs at the level suggested by CDC.”<sup>28</sup>
- The President’s Cancer Panel’s 2007 report, *Promoting Healthy Lifestyles*, advised increasing state tobacco taxes, stating, “Increases in tobacco excise taxes, which are passed along to consumers in the form of higher tobacco product prices, have proven highly effective in reducing tobacco use by promoting cessation among current users, discouraging relapse among former users, preventing initiation among potential users, and reducing consumption among those who continue to use tobacco. These revenues also provide crucial dollars needed to fund anti-tobacco efforts.”<sup>29</sup>
- The 2000 U.S. Surgeon General’s Report, *Reducing Tobacco Use*, found that raising tobacco-product prices decreases the prevalence of tobacco use, particularly among kids and young adults, and that tobacco tax increases produce “substantial long-term improvements in health.” From its review of existing research, the report concluded that raising tobacco taxes is one of the most effective tobacco prevention and control strategies.<sup>30</sup>
- Wall Street tobacco industry analysts have long recognized the powerful role increased cigarette taxes and rising cigarette prices play in reducing U.S. smoking levels. For example, a December 1998 “Sensitivity Analysis on Cigarette Price Elasticity” by Credit Suisse First Boston Corporation settled on a “conservative” estimate that cigarette consumption will decline by four percent for every 10 percent increase in price.
- In its 1998 report, *Taking Action to Reduce Tobacco Use*, the National Academy of Sciences’ Institute of Medicine concluded, “the single most direct and reliable method for reducing consumption is to increase the price of tobacco products, thus encouraging the cessation and reducing the level of initiation of tobacco use.”<sup>31</sup>

***Campaign for Tobacco-Free Kids, January 22, 2025 / Ann Boonn***

**More information on state tobacco taxes is available at**  
[http://www.tobaccofreekids.org/facts\\_issues/fact\\_sheets/policies/tax/us\\_state\\_local/](http://www.tobaccofreekids.org/facts_issues/fact_sheets/policies/tax/us_state_local/).

- <sup>1</sup> U.S. Department of Health and Human Services (HHS), *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, Atlanta, GA: HHS, Centers for Disease Control and Prevention (CDC), National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014, [https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf).
- <sup>2</sup> World Health Organization (WHO), *WHO Technical Manual on Tobacco Tax Policy and Administration*, April 2021, <https://www.who.int/publications/i/item/9789240019188>.
- <sup>3</sup> Philip Morris document, "General Comments on Smoking and Health," Appendix I in *The Perspective of PM International on Smoking and Health Initiatives*, March 29, 1985, Bates No. 2023268329/8348.
- <sup>4</sup> Ellen Merlo, Senior Vice President of Corporate Affairs, Philip Morris, 1994 draft speech to the Philip Morris USA Trade Council, January 11, 1994, Bates No. 2022811708/1755.
- <sup>5</sup> R.J. Reynolds Executive D. S. Burrows, "Estimated Change In Industry Trend Following Federal Excise Tax Increase," September 20, 1982, Bates No. 501988846/8849.
- <sup>6</sup> Philip Morris Research Executive Myron Johnston, "Teenage Smoking and the Federal Excise Tax on Cigarettes," September 17, 1981, Bates No. TA82034-TA82038.
- <sup>7</sup> Philip Morris Executive Jon Zoler, "Handling An Excise Tax Increase," September 3, 1987, Bates No. 2022216179/6180.
- <sup>8</sup> Philip Morris Executive Claude Schwab, "Cigarette Attributes and Quitting," March 4, 1993, Bates No. 2045447810.
- <sup>9</sup> Chaloupka, FJ, et al., "Tax, Price and Cigarette Smoking: Evidence from the Tobacco Documents and implications for tobacco company marketing strategies," *Tobacco Control* 11:62-72, March 2002.
- <sup>10</sup> "Cigarette Sales Down after Tax Increases," *Convenience Store News*, June 5, 2009.
- <sup>11</sup> See, e.g., Chaloupka, FJ, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine and Tobacco Research* 1(Suppl 1):S105-9, 1999; other studies at <https://www.economicsforhealth.org/>; Tauras, J, "Public Policy and Smoking Cessation Among Young adults in the United States," *Health Policy* 6:321-32, 2004; Tauras, J, et al., "Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis," National Bureau of Economic Research Working Paper 8331, June 2001, <https://www.nber.org/papers/w8331>. Chaloupka, FJ & Pacula, R, *An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies*, National Bureau of Economic Research, Working Paper 6541, April 1998; Emery, S, et al., "Does Cigarette Price Influence Adolescent Experimentation?," *Journal of Health Economics* 20:261-270, 2001; Evans, W & Huang, L, *Cigarette Taxes and Teen Smoking: New Evidence from Panels of Repeated Cross-Sections*, working paper, April 15, 1998; Harris, J & Chan, S, "The Continuum-of-Addiction: Cigarette Smoking in Relation to Price Among Americans Aged 15-29," *Health Economics Letters* 2(2):3-12, February 1998, <http://www.mit.edu/people/jeffrey/HarrisChanHEL98.pdf>. HHS, *Reducing Tobacco Use: A Report of the Surgeon General*, Atlanta, Georgia: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000, <https://dugirepo.nlm.nih.gov/ext/document/101584932X181/PDF/101584932X181.pdf>.
- <sup>12</sup> See, e.g., CDC, "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," *Morbidity and Mortality Weekly Report* 47(29):605-609, July 31, 1998, <http://www.cdc.gov/mmwr/preview/mmwrhtml/00054047.htm>. Chaloupka, FJ & Pacula, R, *An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies*, National Bureau of Economic Research, Working Paper 6541, April 1998. Oredein, T & Foulds, J, "Causes of the Decline in Cigarette Smoking Among African American Youths From the 1970s to the 1990s," *American Journal of Public Health* e1-e11, doi:10.2105/AJPH.2011.300289, August 18, 2011.
- <sup>13</sup> Ringel, J & Evans, W, "Cigarette Taxes and Smoking During Pregnancy," *American Journal of Public Health* 91(11):1851-6, 2001. See also, TFK Factsheet, *Harm Caused by Pregnant Women Smoking or Being Exposed to Secondhand Smoke*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0007.pdf>.
- <sup>14</sup> Chaloupka, FJ, Tauras, J & Grossman, M, "Public Policy and Youth Smokeless Tobacco Use," *Southern Economic Journal* 64(2):503-16, October 1997. Ringel, JS, Wasserman, J, & Andreyeva, T, "Effects of Public Policy on Adolescents' Cigar Use: Evidence From the National Youth Tobacco Survey," *American Journal of Public Health* 95:995-998, 2005.
- <sup>15</sup> Analysis of data from calls to 1-800-QUIT-NOW.
- <sup>16</sup> TFK Factsheet, *Raising State Cigarette Taxes Always Increases State Revenues (and Always Reduces Smoking)*, <http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf>.
- <sup>17</sup> Collins, E, "Tobacco tax hike has more Oklahoma smokers trying to quit," *KOKH*, August 9, 2018, <https://ktul.com/news/local/tobacco-tax-hike-has-more-oklahomans-trying-to-quit>.
- <sup>18</sup> "Calls to Wisconsin Tobacco Quit Line breaks all records," *The Dunn County News*, March 12, 2008.
- <sup>19</sup> Souza, M, "Thank you for Smoking," *Longview-News Journal*, April 22, 2007. "Calls to Quitline Iowa double after cigarette tax raised," *AP*, March 22, 2007. See also, TFK Factsheet, *Quitlines Help Smokers Quit*, <http://www.tobaccofreekids.org/research/factsheets/pdf/0326.pdf>.
- <sup>20</sup> CDC, Current Adult Smokers, Behavioral Risk Factor Surveillance System (BRFSS).
- <sup>21</sup> Huang, J & Chaloupka, FJ, *The Impact of the 2009 Federal Tobacco Excise Tax Increase on Youth Tobacco Use*, National Bureau of Economic Research Working Paper 18026, April 2012, <http://www.nber.org/papers/w18026>.
- <sup>22</sup> HHS, *Eliminating Tobacco-Related Disease and Death: Addressing Disparities—A Report of the Surgeon General*, Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2024, at 717, <https://www.hhs.gov/sites/default/files/2024-sgr-tobacco-related-health-disparities-full-report.pdf>.
- <sup>23</sup> WHO, *WHO Technical Manual on Tobacco Tax Policy and Administration*, April 2021, <https://www.who.int/publications/i/item/9789240019188>.
- <sup>24</sup> U.S. National Cancer Institute & World Health Organization, *The Economics of Tobacco and Tobacco Control*, National Cancer Institute Tobacco Control Monograph 21, NIH Publication No. 16-CA-8029A, Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; and Geneva, CH: World Health Organization; 2016, [https://cancercontrol.cancer.gov/brp/tcrb/monographs/21/docs/m21\\_complete.pdf](https://cancercontrol.cancer.gov/brp/tcrb/monographs/21/docs/m21_complete.pdf).
- <sup>25</sup> HHS, *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, 2014, [https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf).
- <sup>26</sup> Community Preventive Services Task Force, *Tobacco Use: Interventions to Increase the Unit Price for Tobacco Products*, Systematic Review, November 2012, <https://www.thecommunityguide.org/findings/tobacco-use-interventions-increase-unit-price-tobacco.html>.

<sup>27</sup> HHS, *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General*, 2012, [https://www.ncbi.nlm.nih.gov/books/NBK99237/pdf/Bookshelf\\_NBK99237.pdf](https://www.ncbi.nlm.nih.gov/books/NBK99237/pdf/Bookshelf_NBK99237.pdf).

<sup>28</sup> Institute of Medicine (IOM), *Ending the tobacco problem: A blueprint for the nation*, Washington, DC: The National Academies Press, 2007, <https://www.nap.edu/catalog/11795/ending-the-tobacco-problem-a-blueprint-for-the-nation>.

<sup>29</sup> President's Cancer Panel, *Promoting Healthy Lifestyles*, 2006-2007 Annual Report, August 2007, <https://deainfo.nci.nih.gov/advisory/pcp/annualReports/pcp07rpt/pcp07rpt.pdf>.

<sup>30</sup> HHS, *Reducing Tobacco Use: A Report of the Surgeon General*, 2000, <https://digirepo.nlm.nih.gov/ext/document/101584932X181/PDF/101584932X181.pdf>.

<sup>31</sup> IOM, *Taking Action to Reduce Tobacco Use*, Washington, DC: National Academy Press, 1998, <https://nap.nationalacademies.org/catalog/6060/taking-action-to-reduce-tobacco-use>.





## EXCERPTS FROM THE 2012 AND 2014 SURGEON GENERAL'S REPORTS SUPPORTING TOBACCO TAX INCREASES

---

The 2012 Surgeon General's Report, *Preventing Tobacco Use Among Youth and Young Adults*,<sup>1</sup> and the 2014 Surgeon General's Report, *The Health Consequences of Smoking—50 Years of Progress*,<sup>2</sup> reviewed the available research and found strong support for increasing tobacco taxes to reduce tobacco use. Noting that the "current rate of progress in tobacco control is not fast enough. More needs to be done," the 2014 Surgeon General's report calls for a number of specific actions, including: **"Raising the average excise cigarette taxes to prevent youth from starting smoking and encouraging smokers to quit."** (pg. 875)

### **Increasing the price of tobacco products, including increasing the tax, reduces tobacco use.**

Excerpts from the 2012 Surgeon General's Report:

*"Coordinated, multicomponent interventions that combine mass media campaigns, price increases including those that result from tax increases...are effective in reducing the initiation, prevalence, and intensity of smoking among youth and young adults."* (pg. 8)

*"A majority of the existing research suggests that the effects of price on smoking prevalence involve both a decrease in initiation of smoking among youth and an increase in cessation among young adults."* (pg. 707)

*"Most of the research over the past decade has concluded that increases in cigarette prices lead to reductions in the prevalence of smoking and its intensity among youth and young adults."* (pg. 707)

*"Most of the recent research has concluded that adolescents and young adults are more responsive than adults to changes in cigarette prices."* (pg. 707)

*"Federal, state, and local taxes that raise prices on tobacco products improve public health by reducing initiation, prevalence, and intensity of smoking among young people. Comprehensive reviews of the literature on the effect of price on tobacco consumption estimate a 3–5% reduction in overall cigarettes consumed as a result of a 10% increase in cigarette prices, and youth and young adults have proven to be even more responsive than adults to higher cigarette prices...."* (pg. 809-810)

*"Higher cigarette prices, including those resulting from increased excise taxes, have also been shown to increase cessation among young adults; one study (Tauras 2004) confirmed a positive relationship between cigarette prices and smoking cessation, with a 10% rise in price increasing successful cessation by young adults by an estimated 3.5%."* (pg. 810)

*"Clearly, making smokeless tobacco products available more cheaply could promote their use among price-sensitive youth. In addition, disparities in tobacco taxation (i.e., higher taxes for cigarettes than for smokeless tobacco) could result in a switch to smokeless tobacco among young males...."* (pg. 202)

*"Tobacco control policies, including higher taxes on smokeless tobacco...are effective in reducing the use of smokeless tobacco among adolescent males...."* (pg. 802)

Excerpts from the 2014 Surgeon General's Report:

*"Raising prices on cigarettes is one of the most effective tobacco control interventions."* (pg. 869)

*"The evidence is sufficient to conclude that increases in the prices of tobacco products, including those resulting from excise tax increases, prevent initiation of tobacco use, promote cessation, and reduce the prevalence and intensity of tobacco use among youth and adults."* (pg. 827)

*"Additional price increases would accelerate progress in reducing youth and young adult rates of tobacco use."* (pg. 869)

*"Evidence shows that large tax and, hence, price increases will decrease tobacco use each time they are implemented."* (pg. 852)

The report notes that there are “evidence-based strategies that can rapidly drop youth initiation and prevalence rates down to single digits . . .” (p.872) In addition, the report reviews, “a broad range of well-defined and effective interventions proven to reduce adult smoking rates if implemented and sustained at funding levels consistent with CDC’s recommended levels.” (p.872) Among these “effective programs and policies,” is “a higher average retail price of cigarettes in the United States. Experience from across the globe suggests at least \$10 a pack in the United States.” (p.872)

*“The 2009 U.S. federal tax increase on cigarettes and subsequent tax increases at the state and local levels represent recent successes in tobacco control.”* (pg. 792)

*“In February 2009, the Children’s Health Insurance Program Reauthorization Act, Public Law 111-3, U.S. Statutes at Large 8 was signed, which included an unprecedented \$0.62 increase in the federal excise tax on cigarettes to \$1.01 per pack. This single legislative act—increasing the price of cigarettes—is projected to have reduced the number of middle and high school students who smoke by over 220,000 and the number using smokeless tobacco products by over 135,000.”* (pg. 869)

*“Increasing the federal tax for noncigarette products, implementing systems to control for tax avoidance and evasion (e.g., high-tech tax stamps and track and trace systems), shrinking the tax disparity between states and localities, and establishing a taxation system that accounts for inflation, would likely improve the impact of taxes on the prevalence of tobacco use, especially among young smokers most sensitive to price. Closing the gap in these federal tax rates would further reduce tobacco use and increase tobacco revenues at the federal level.”* (pg. 792)

*“Taxes on tobacco provide revenue to governments at a relatively low administrative cost, making these taxes especially appealing. Moreover, higher taxes have decreased consumption of tobacco products, especially cigarettes, and thereby improved public health.”* (pg. 788)

*“Five general conclusions can be drawn from these reviews (Chaloupka 2011; IARC 2011). First, increases in cigarette prices can lead to substantial reductions in cigarette smoking. The consensus estimate from the two reviews is that a 10% increase in cigarette price will result in a 3–5% reduction in overall cigarettes consumed. Second, increases in cigarette prices will decrease not only the prevalence of smoking but also the average number of cigarettes smoked by smokers. Third, much previous research on cigarette consumption among youth suggests that both youth and young adults are more responsive than adults to changes in cigarette prices, with several studies finding youth and young adults to be two to three times as responsive to changes in price as adults (see USDHHS 2012 for a complete review). Fourth, there is greater price responsiveness among lower income populations (IARC 2011). Finally, state excise tax increases create revenues for states.”* (pg. 789)

### **Dedicating revenue from tax increases to funding prevention program amplifies public health benefits.**

Excerpts from the 2012 Surgeon General's Report:

*“In addition, the combination of program activity and increases in tobacco taxes was found to reduce cigarette consumption more than would be expected from price increases alone.”* (pg. 694)

### **Industry price promotions are used to counter the impact of tobacco tax increases.**

Excerpts from the 2012 Surgeon General's Report:

*“...given the evidence on the price sensitivity of tobacco use among youth that is discussed in detail in Chapter 6, along with the evidence on the impact of tax increases on prices discussed below, it is possible that the observed reductions in smoking among youth would have been even larger had the price increases from state and federal taxes not been offset at least partially by discounting and other price-related promotions by cigarette companies.”* (pg. 526)

*“...it can be concluded that the industry’s extensive use of price-reducing promotions has led to higher rates of tobacco use among young people than would have occurred in the absence of these promotions.”* (pg. 530)

*“Evidence in this chapter also outlines industry actions to attract price-sensitive populations such as youth to their products, as well as to soften the price impact on consumers of increases in federal and state tobacco excise taxes (Chaloupka et al. 2002). Because there is strong evidence that as the price of tobacco products increases, tobacco use decreases, especially among young people, then any actions that mitigate*

*the impact of increased price and thus reduce the purchase price of tobacco can increase the initiation and level of use of tobacco products among young people.” (pg. 599)*

Excerpts from the 2014 Surgeon General's Report:

*“...the tobacco industry has developed extremely sophisticated mechanisms to blunt and mitigate the effects of price increases. These include Web-based, mail-order, brand repositioning, and store-based discounting that is timed to scheduled price increases.” (pg. 791)*

*“...the tobacco industry has used a mixture of actions to alter the prices of their products, including a variety of price-reducing promotions, and that these actions attract price-sensitive populations such as youth to their products, as well as soften the price impact on consumers of increases in federal and state tobacco excise taxes.” (pg. 797)*

---

<sup>1</sup> U.S. Department of Health and Human Services (HHS), *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General*, Atlanta, GA: HHS, Centers for Disease Control and Prevention (CDC), National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health 2012, <https://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/index.html>.

<sup>2</sup> HHS, *The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General*, Atlanta, GA: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014, <http://www.surgeongeneral.gov/library/reports/50-years-of-progress/index.html>.





## PMI US CORPORATE SERVICES

1399 NEW YORK AVENUE, NW, SUITE 400, WASHINGTON, DC 20005 TELEPHONE (202) 495-2661

TO: Chairman Craig Headland and members of the House Finance and Taxation Committee

FROM: James Curry, Director of External Affairs, West, PMI US Corporate Services

Thank you, Mr. Chairman and members of the committee. My name is James Curry and I am the Director of External Affairs in the Western US for Philip Morris International.

PMI is an American company that is transforming its products into innovative, smoke-free tobacco and nicotine options that are a much better choice for adults who would otherwise continue to smoke. I am here in opposition to SB 2281 which would impose a tax of twenty-eight percent of the wholesale price on oral nicotine pouches, including our product, Zyn.

In January, the FDA authorized the marketing of 20 Zyn nicotine pouch products following an extensive scientific review. This is the first time the agency has authorized nicotine pouches, determining that they met the public health standard required by the 2009 Family Smoking Prevention and Tobacco Control Act – a standard that considers the risks and benefits of products to the population as a whole. The FDA found that these products have the potential to provide a benefit to adults who smoke cigarettes and/or use other smokeless tobacco products that is sufficient to outweigh the risks of the products, including to youth.

The tobacco product excise tax is often considered an “indirect” tax because it is usually paid by a distributor who purchases, sells, or brings tobacco products into the state for resale. In North Dakota, the tax is a percentage of the established price listed by manufacturer (the “wholesale purchase price”) exclusive of any discount or other reduction, so the consumer does not see the amount of the tax, which is built into the price of the product. In support of harm reduction principles and commonsense, tobacco products should be taxed proportionately to their risk, which means the tax on the most harmful tobacco product – combustible cigarettes – should be the highest, and the tax on non-combustible products, such as nicotine pouches, should be substantially lower, if they are to be taxed at all.

Unfortunately, SB 2281 runs contrary to sound public policy. It imposes a higher tax on nicotine pouches, defined in the bill as alternative nicotine products, than combustible cigarettes. Instead of creating a financial incentive for adults who smoke to transition away from cigarettes to less harmful alternatives, the bill imposes a higher tax on nicotine products that are recognized as better choices than continued smoking.

For these reasons, I urge you to oppose SB 2281 and would be happy to answer questions. Thank you.

**2025 SB 2281****House Finance and Taxation Committee****Representative Craig Headland, Chairman****March 11, 2025**

Chairman Headland and members of the House Finance and Taxation Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of Senate Bill 2281. I ask that you give this bill a **Do Pass** recommendation.

Hospitals support the bill because raising tobacco taxes is one of the most effective ways to reduce tobacco use. Tobacco use remains a leading risk factor for conditions that lead to heart disease, cancer, lung disease and other health complications.

This bill will increase the tax on cigarettes, cigars, other tobacco products, alternative tobacco products, electronic smoking devices and electronic smoking device substances. Such a tax increase will encourage users to quit and discourage people from starting.

Based on the fiscal note, the additional tax on the products above would generate at least \$25.8 million in additional revenue for the biennium. North Dakota ranks third lowest in the country for a cigarette tax of \$.44 per pack. Our surrounding states are higher, Montana's tax is \$1.70, South Dakota's tax is \$1.53, and Minnesota's tax is \$3.04 per pack. The national average is \$1.97.

Hospitals support this bill because we believe it would discourage individuals from using tobacco and alternative tobacco products which leads to a reduction in healthcare costs.

In summary, we support the bill and hope that you will give it a **Do Pass** recommendation.

Respectfully Submitted,

Tim Blasl, President  
North Dakota Hospital Association

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Rachel Fischer, and I am here as a concerned citizen in support of **Senate Bill 2281**. Tobacco use is a leading cause of preventable disease and death, contributing to heart disease, cancer, and lung conditions that burden families and our healthcare system. One of the most effective ways to reduce tobacco use—especially among youths to increase tobacco taxes, as higher prices discourage new users and encourage current users to quit. This bill proposes an increase on cigarettes, cigars, alternative tobacco products, and electronic smoking devices, which would help improve public health and reduce healthcare costs. Supporting this bill is a step toward a healthier North Dakota, and I urge you to give it a **Do Pass** recommendation.

Chairman Headland and Members of the House Finance and Taxation Committee, my name is Rachel Fischer, and I am here as a concerned citizen in support of Senate Bill 2281 to reduce tobacco use and improve public health. Increasing tobacco taxes—one of the most effective ways to discourage new users and encourage quitting—will help lower rates of heart disease, cancer, and lung conditions, ultimately reducing the burden on families, healthcare providers, and the state.

Best,

A handwritten signature in dark ink that reads "Rachel Fischer". The script is cursive and fluid, with the first name "Rachel" and last name "Fischer" clearly legible.

Rachel

Chairman Headland and Members of the House Finance and Taxation Committee,

My name is Ashley Lemke, and I am the Director of Workforce and Culture at FirstLink. I am here today to express my strong support for Senate Bill 2281 and urge you to give this bill a Do Pass recommendation.

As an organization dedicated to supporting the well-being of individuals and communities across North Dakota, FirstLink understands the devastating impact tobacco use has on public health, workforce stability, and overall quality of life. Tobacco-related illnesses continue to be a leading cause of preventable death in our state, contributing to chronic health conditions such as heart disease, cancer, and lung disease. These health burdens not only affect individuals and families but also place significant strain on our healthcare system and economy.

A key strategy to reducing tobacco use—particularly among young people—is increasing tobacco taxes. Research consistently shows that higher tobacco prices serve as a deterrent, preventing youth from starting and encouraging current users to quit. Senate Bill 2281's proposed tax increase on cigarettes, cigars, alternative tobacco products, and electronic smoking devices is an evidence-based approach to curbing tobacco use and fostering a healthier North Dakota.

At FirstLink, we recognize that health and well-being are critical to a thriving workforce and community. By passing this bill, you have the opportunity to take meaningful action that will not only save lives but also reduce long-term healthcare costs and improve workforce productivity. I urge you to support Senate Bill 2281 and take a stand for public health.

Thank you for your time and consideration.

Ashley Lemke  
Director of Workforce and Culture  
FirstLink

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Brenda Weiler and I support **Senate Bill 2281**, which will help to reduce tobacco use and improve public health. I encourage you to support this bill. Increasing tobacco taxes—one of the most effective ways to discourage new users and encourage quitting—will help lower rates of heart disease, cancer, and lung conditions, ultimately reducing the burden on families, healthcare providers, and our state.

Thank you for your consideration and service,  
Brenda Weiler

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Hailey Abrahamson, and I am here as a concerned citizen in support of **Senate Bill 2281**. Tobacco use is a leading cause of preventable disease and death, contributing to heart disease, cancer, and lung conditions that burden families and our healthcare system. One of the most effective ways to reduce tobacco use—especially among youth—is to increase tobacco taxes, as higher prices discourage new users and encourage current users to quit. This bill proposes an increase on cigarettes, cigars, alternative tobacco products, and electronic smoking devices, which would help improve public health and reduce healthcare costs. Supporting this bill is a step toward a healthier North Dakota, and I urge you to give it a **Do Pass** recommendation. Chairman Headland and Members of the House Finance and Taxation Committee, I am here as a concerned citizen in support of Senate Bill 2281 to reduce tobacco use and improve public health. Increasing tobacco taxes—one of the most effective ways to discourage new users and encourage quitting—will help lower rates of heart disease, cancer, and lung conditions, ultimately reducing the burden on families, healthcare providers, and the state

Thank you for your time and consideration.

**Hailey Abrahamson**

Concerned Citizen, Fargo, ND

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Karen Nitzkowski from rural Harwood. I urge you to **vote yes on Senate Bill 2281.**

Increasing tobacco taxes is a proven public health strategy that reduces tobacco use, prevents addiction, especially among youth at their vulnerable age. The majority of people who use tobacco products started as teens.

Each year, approximately 1,000 North Dakotans die from smoking-related illnesses such as heart disease and cancer. Tobacco use continues to be one of the leading causes of preventable death in our state which strains our healthcare system.

At only 44 cents per pack, North Dakota's cigarette tax has not increased **since 1993** and now ranks **49th in the nation.**

This tax increase is long overdue. Raising tobacco taxes would be a critical step toward protecting public health, reducing tobacco use, and preventing more unnecessary deaths.

Thank you,

Karen Nitzkowski

[REDACTED]  
[REDACTED]  
[REDACTED]



SB 2281  
House Finance and Taxation Committee  
March 11, 2025  
Katie Fitzsimmons | [cashmankatie@gmail.com](mailto:cashmankatie@gmail.com)

Chair Headland and members of the committee, my name is Katie Fitzsimmons and I am a proud board member of Tobacco Free North Dakota. For my day job, I work in substance misuse prevention in higher education and serve on the Drug Free Communities Committee through Burleigh-Morton Behavioral Health Coalition. Most importantly, I am the mother of three children that I desperately want to protect from the dangers of every form of tobacco and nicotine. I care a whole lot about our youth making the best decisions they can in regard their health and wellness not only because I see the benefits, but I wish I had done the same. I'm glad I haven't smoked in over 13 years, but I wish I didn't have to tick the "former smoker" box at the doctor's office.

No one wants to see taxes increase and certainly even fewer legislators will want to vote for such a thing. However, in this case, this is one area where North Dakota needs to keep up with the Joneses. The average per-pack tobacco tax in the United States rings in at \$1.97 and ours is embarrassingly and comically low at only \$.44. Further embarrassing, we only classified e-cigarettes as tobacco products last session, yet we still do not tax those products accordingly.

I am aware of the committee's vote on HB 1570 last month and how the House followed suit and rejected that proposal. Though SB 2281 does not meet the standard for best practices when it comes to tax legislation, it shows that it is a true compromise. You will have the ability to do your due diligence and place taxes on nicotine pouches and e-cigarettes, as they are tobacco products that have survived the loophole for too long while compromising on a much smaller tax increase on combustibles. This bill is progress; not perfection. But progress of any kind is so very important.

The most important aspect to raising the tobacco tax is that doing so will absolutely result in less youth using these harmful and highly addictive products. In my work, I have watched, with great celebration, youth smoking rates decrease as education, awareness, and enforcement increased. **Yet vapes and pouches are soaring in popularity and accessibility, all under the ruse that those products are less harmful; a message reinforced by the lack of parity with other tobacco products. It's time to send a clear message to youth and all users of these products: these things are as harmful and addictive as other forms of tobacco (even more so!) and simply not worth your time and treasure. Raising the tax will keep these products out of reach for some of our most vulnerable youth.**

This bill will reduce our state's costs, improve the health and vitality of so many citizens, and it will assuredly save lives. I strongly urge you to promote health and wellness in our state with a Do Pass recommendation and a green light on the floor. I thank each of you for your service to the state and your consideration on this important issue.

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Aaliyah Martinez, and I'm writing today as an everyday citizen of North Dakota. I'm speaking in favor of Senate Bill 2281, and I sincerely hope you'll support it with a Do Pass recommendation.

Tobacco use is one of the biggest causes of preventable illness and death in our state. It's linked to heart disease, cancer, lung disease, and a lot of other serious health problems that not only affect people but also put a huge strain on our healthcare system. As a state, we have the chance to make a real difference by taking action to reduce tobacco use.

One of the most effective ways to do this—especially when it comes to preventing young people from starting—is by raising tobacco taxes. This bill proposes an increase on cigarettes, cigars, electronic smoking devices, and other tobacco products. Research has shown time and again that higher prices discourage kids from trying tobacco and encourage current smokers to quit. This isn't just about generating money for the state—it's about saving lives and cutting down on future healthcare costs.

Passing Senate Bill 2281 would be a huge step in the right direction for a healthier North Dakota. By supporting this bill, you'd be helping to reduce tobacco-related health problems and lessen the burden on our healthcare system. I respectfully ask for your vote in favor of this important bill.

Thank you for your time and for considering my perspective.  
Aaliyah Martinez, Concerned Citizen, Fargo



**House Finance and Taxation Committee**  
**SB 2281**  
**March 11, 2025**

Chairman Headland and Committee Members, I am Courtney Koebele and I serve as Executive Director for the North Dakota Medical Association. The North Dakota Medical Association is the professional membership organization for North Dakota physicians, residents, and medical students.

The North Dakota Medical Association supports HB 2281, increasing the state's tax on tobacco products. At its 2013 annual meeting, NDMA adopted a resolution supporting legislative action to raise North Dakota's tobacco tax as a proven way to prevent youth tobacco initiation, encourage a reduction of adult tobacco use, reduce health care costs, and provide an overall benefit to public health.

According to the Centers for Disease Control and Prevention (CDC) Office on Smoking and Health, tobacco use health care costs in North Dakota amount to \$326 million per year.

Physicians are on the front lines trying to prevent and reduce tobacco use by counseling young patients not to start and supporting patients who have already started in their attempts to quit. Yet, they cannot do it alone.

Increasing tobacco taxes is one of the leading recommendations for states to use in preventing and treating tobacco addiction, particularly in adolescents. Therefore, preventing the uptake of tobacco use by making it less affordable is a better investment than waiting to treat smokers in adulthood.

However, according to the research it is important to recognize that tobacco tax increases will only reduce tobacco consumption if the increase is noticeable and beyond the range of being offset by tobacco industry discounts. In addition, it is important to ensure that the tax increases are equitable across tobacco products.

With the rise in youth e-cigarette use and increased smokeless tobacco use among rural populations, timely policy will be imperative to curb these growing health threats.

NDMA supports SB 2281. I would be happy to answer any questions. Thank you.

Members of the North Dakota House Finance and Taxation Committee:

On behalf of the Premium Cigar Association and our member in North Dakota, we are writing to express our strong opposition to SB 2281, a bill that would impose an additional 32% tax on cigars, bringing the total tax on cigars to 60% of wholesale for consumers. This tax proposal threatens a single North Dakota small business that is virtually and solely reliant on the sale of premium cigars and will drive business to lower tax states that surround North Dakota. Minnesota and Montana have enacted premium cigar tax caps, and South Dakota is at 35%. In addition, SB 2281 will almost certainly drive consumers to on-line lower cost alternatives.

As you are aware, North Dakota's small businesses are the backbone of the local economy. These retailers operate on thin margins, providing specialty products to adult consumers who appreciate premium cigars. Imposing such a steep tax will have several negative consequences:

#### Hurt Local Retailers and Businesses

Independent cigar shops and small businesses will bear the brunt of this added cost. With fewer resources to absorb a 32% tax increase, many will be forced to raise prices substantially or risk closing their doors.

#### Limited Revenue for the State

While the intention may be to generate additional income for the state, overly aggressive taxation frequently reduces legal, in-state sales. The decline in sales volume can negate any projected gains.

#### Negative Impact on Consumer Choice

North Dakota consumers who enjoy premium cigars would either pay significantly more or be forced to go elsewhere for their purchases, limiting their options and discouraging in-state commerce, all while threatening the livelihood of a small and distinct number of North Dakota small businesses.

Your consideration of this position is appreciated, and please contact me with questions or need for additional assistance.

Glynn Loope

J. Glynn Loope, Director of State Advocacy

Premium Cigar Association

513 Capitol Court, NE, Suite 300

Washington, D.C. 20002

202-621-8064

(C) 540-968-0402

[Glynn@premiumcigars.org](mailto:Glynn@premiumcigars.org)

[www.premiumcigars.org](http://www.premiumcigars.org)



4342 15th Ave S, Ste 201A  
Fargo, ND 58103

P (701) 293-6462

F (701) 235-2476

Monday – Friday, 8am – 5pm

[info@myfirstlink.org](mailto:info@myfirstlink.org)

Chairman Headland and Members of the House Finance and Taxation Committee,

My name is Jennifer Illich, and I am the Executive Director of FirstLink, speaking in support of Senate Bill 2281. I urge you to give this bill a Do Pass recommendation.

Increasing tobacco taxes is a proven public health strategy that reduces tobacco use, prevents addiction—especially among youth—and lowers rates of heart disease, cancer, and lung conditions that place a significant strain on our healthcare system. Each year, approximately 1,000 North Dakotans die from smoking-related illnesses, making tobacco use one of the leading causes of preventable death in our state.

At only 44 cents per pack, North Dakota's cigarette tax has not increased since 1993 and now ranks 49th in the nation, far below the national average of \$1.97 per pack. Meanwhile, the price of cigarettes in North Dakota has risen by 310% due to company price hikes and inflation, while the tax has remained stagnant—once accounting for 24% of the retail price in 1993 but now making up only 6%. Our surrounding states have significantly higher cigarette taxes—Montana's is \$1.70 per pack, South Dakota's is \$1.53, and Minnesota's is \$3.04—yet North Dakota lags behind.

This tax increase is long overdue. Raising tobacco taxes would be a critical step toward protecting public health, reducing tobacco use, and preventing unnecessary deaths. It would also help fund essential services, including crisis intervention and mental health resources, ensuring that those struggling with tobacco-related illnesses or financial distress have access to support.

I urge you to vote yes on SB 2281.

Sincerely,

A handwritten signature in black ink, reading "Jennifer Illich". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Illich".

Jennifer Illich

Executive Director, FirstLink

**SB 2281 Testimony**  
**House Finance and Tax Committee**  
**Senator Kathy Hogan**  
**March 11, 2025**

Chairman Headland, for the record, my name is Kathy Hogan. I represent District 21 which is central Fargo and a portion of West Fargo.

SB 2281 is a bill that does three things:

1. Raises the cigarette and cigar tax by \$.25/pack
2. Adds a comparable tax on electric cigarettes (Vaping productions)
3. Designates that these additional funds be allocated through the DHHS budget to local public health units who are actively involved in monitoring youth smoking and 988 suicide prevention and intervention services.

Taxation is not my area of expertise. We do know that tobacco taxation is an effective method to improve health outcomes by reducing use. Some say incremental increases do not work. For young people, cost does make a difference and youth nicotine use is rising again.

The Youth Risk Behavior Survey (YRBS) is a national system of surveys used to monitor behaviors in school-aged children that can lead to poor health outcomes. North Dakota has conducted the YRBS in partnership with the Centers for Disease Control and Prevention (CDC) since 1995. On odd-numbered years, ND students in grades 7-8 and 9-12 are administered a voluntary, anonymous survey questionnaire. Schools, teachers, public health professionals, community leaders, and policymakers in North Dakota use YRBS data for decision making, evaluation, and planning. The link to the most recent survey <https://www.hhs.nd.gov/sites/www/files/documents/DOH%20Legacy/YRBS/2023%20High%20School%20Summary%20Data.pdf> (pages 16-31 are attached to this testimony) describes youth tobacco utilization rates in 2023. Vaping has been increasing every year.

The average taxation rate for cigarettes in the US is \$1.93 per pack. ND is currently at \$.44/pack, and this would raise that to \$.69/pack. Currently vaping is not taxed in ND and the significant increase in use is very concerning primarily for our young people. Link to the state ranking of tobacco taxation: <https://assets.tobaccofreekids.org/factsheets/0097.pdf> This tax increase will not impact ND sales because our neighboring states are all significantly higher: Minnesota is at \$3.04/pack, South Dakota is at \$1.09/pack and Montana is at \$1.70/pack. \$.69/pack will still be much lower.

Vaping taxation is an emerging area around the nation and here is the link to the 2024 taxation rates by the state: <https://taxfoundation.org/data/all/state/vapingtaxes-2024/>. This bill includes the ad valorem method of taxation based on wholesale price. This bill is based on a 25% wholesale cost which would be the third lowest rate of the states using that methodology.

Finally, a note about the health impacts of e-cigarettes. When this new form of smoking was introduced, many felt that there were less risks with e-cigarettes than with tobacco. Over the last five years, that myth has been disproved. Here is a link to the recent studies on the health effects which although different than tobacco are still very serious. <https://www.cdc.gov/tobacco/e-cigarettes/health-effects.html>

I am certain that you will have extensive testimony both supporting and opposing this bill. I am more than willing to answer any questions.

Thank you.



[SEE PREVIOUS VERSIONS OF THIS POST](#)

# Vaping Taxes by State, 2024

June 25, 2024 • 4 min read

By: [Adam Hoffer](#), [Jacob Macumber-Rosin](#)

The vaping industry has grown rapidly in recent decades, becoming a well-established product category and a viable alternative to cigarettes for those trying to quit smoking.

A wide variety of vaping products and electronic nicotine delivery systems (ENDS) exist. Open systems vaping products allow users to refill their vaping devices with vaping liquids, giving users more customization options and control over flavor. Closed system vaping products use pre-filled disposable cartridges or pods of vaping liquid and are not refillable. Closed system products are simpler to use and have become the more popular option, but many of these products that are sold in the US haven't been [authorized for sale](#) by the Food and Drug Administration (FDA).

US states levy a variety of tax structures on vaping products. Higher taxes on vaping and ENDS products discourage smokers from switching to the less unhealthy vapor products.

As of June 2024, 32 states and the District of Columbia levy an excise tax on [vaping products](#). Some states tax based on manufacturer, wholesale, or retail price (*ad valorem*), while other states tax based on product volume or number of cartridges (*ad quantum*). And some apply a bifurcated system with different rates for open and closed systems.

Minnesota imposes the heaviest wholesale tax of 95 percent, followed closely by Vermont at 92 percent. Of states that apply a tax to vaping, the states with the lowest burden at the wholesale level are Georgia at seven percent for open systems and New Hampshire at eight

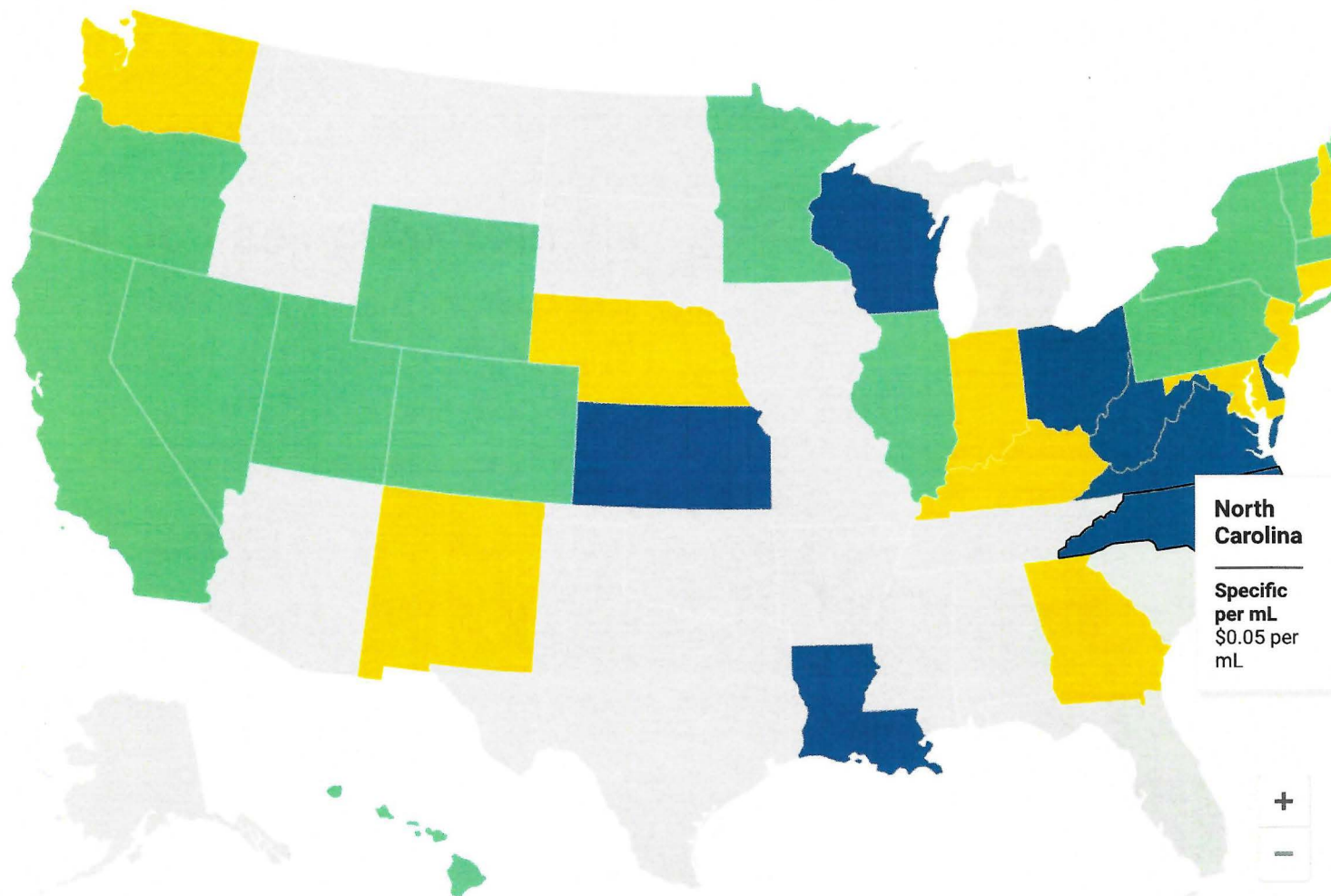
percent. Retail-level taxes can be as high as 60 percent in Maryland for closed systems or as low as 10 percent in Nebraska for containers greater than 3 mL.

The following map shows vapor taxes as of June 1, 2024.

## How Do Vaping Taxes in Your State Compare?

*State Vaping Tax Rates and Design, June 2024*

Ad Valorem   Bifurcated   Specific per mL   No Tax



Source: State statutes; Bloomberg Tax.

[Embed](#) • [Download image](#) • [Get the data](#)



Delaware, Georgia, Kansas, Nebraska, North Carolina, and Wisconsin all share the lowest per milliliter tax rate at \$0.05 per mL on all or some vapor products. Per milliliter taxes are highest in Connecticut at \$0.40 per mL for closed systems, followed by New Hampshire at \$0.30 for



closed systems and Louisiana at \$0.15 per milliliter on all systems. Kentucky and New Mexico levy a tax per cartridge of \$1.50 and \$0.50, respectively.

Vapor and ENDS products facilitate the delivery of nicotine, the addictive component of cigarettes and tobacco products, without the combustion and inhalation of tar inherent to traditional cigarettes. While more research into the harm-reduction potential of vapor products is needed, especially for the long-term health effects of vaping, the present consensus is that vapor products are significantly less harmful than traditional combustible tobacco products. The English Ministry for Health, through Public Health England, has concluded that vaping is 95 percent less harmful than cigarettes.

The disparity in harmful health effects emphasizes the importance of understanding and incorporating harm reduction into the design of excise taxes on vapor products. Vaping, while itself unhealthy to some degree, is a highly attractive, much less harmful alternative to smoking. One of the primary obstacles to those trying to quit smoking is the addictive properties of nicotine. Harm reduction refers to the concept that it is more practical to reduce the harm associated with using certain products rather than attempting to eliminate that harm completely through counterproductive policies like ineffective bans or punitive levels of taxation.

Protecting access to harm-reducing vapor products is crucial for excise tax policy because nicotine-containing products are economic substitutes. Lower tax rates on vaping encourage consumers to switch from more harmful combustibles. High excise taxes on less harmful alternatives risk harming public health by pressuring vapers back to smoking. A relatively recent publication found that 32,400 smokers in Minnesota were deterred from quitting cigarettes after the implementation of a 95 percent excise tax on vapor products within the state.

If the goal of taxing cigarettes is to encourage cessation, vapor taxation must be considered a part of that policy design. For more discussion on the ideal design for vapor taxes and other alternative nicotine products, see our recent report.

# Vaping Taxes by State, 2024

## State Vaping Tax Rates and Design, June 2024

Search:

State	Vaping Tax Rates
Alabama	No Tax
Alaska	No Tax
Arizona	No Tax
Arkansas	No Tax
California	56.32% of wholesale; 12.5% of retail
Colorado	50% of manufacturing price
Connecticut	10% of wholesale (open); \$0.40 per mL (closed)
Delaware	0.05 per mL
District of Columbia	79% of wholesale
Florida	No Tax
Georgia	7% wholesale (open); \$0.05 per mL (closed)
Hawaii	70% wholesale
Idaho	No Tax
Illinois	15% wholesale
Indiana	15% retail (open); 15% wholesales (closed)
Iowa	No Tax
Kansas	\$0.05 per mL

State	Vaping Tax Rates
Kentucky	15% wholesale (open); \$1.50/cartridge (closed)
Louisiana	\$0.15 per mL
Maine	43% of wholesale
Maryland	12% retail (open); 60% retail (closed)
Massachusetts	75% of wholesale
Michigan	No tax
Minnesota	95% of wholesale
Mississippi	No Tax
Missouri	No Tax
Montana	No Tax
Nebraska	\$0.05 per mL ( $\leq 3$ mL); 10% retail ( $> 3$ mL)
Nevada	30% of wholesale
New Hampshire	8% wholesale (open); \$0.30 per mL (closed)
New Jersey	\$0.10 per mL (open); 10% retail (closed)
New Mexico	12.5% wholesale (open); \$0.50 per cartridge
New York	20% retail
North Carolina	\$0.05 per mL
North Dakota	No Tax
Ohio	\$0.10 per mL
Oklahoma	No Tax
Oregon	65% of wholesale
Pennsylvania	40% of wholesale

State	Vaping Tax Rates
Rhode Island	No Tax
South Carolina	No Tax
South Dakota	No Tax
Tennessee	No Tax
Texas	No Tax
Utah	56% of wholesale
Vermont	92% of wholesale
Virginia	\$0.066 per mL
Washington	\$0.09 per mL (open); \$0.27 per mL (closed)
West Virginia	\$0.075 per mL
Wisconsin	\$0.05 per mL
Wyoming	15% of wholesale

Source: State Statutes, Bloomberg Tax





## STATE CIGARETTE EXCISE TAX RATES & RANKINGS

Average State Cigarette Tax: \$1.97 per pack

State	Tax	Rank
Alabama	\$0.675	41st
Alaska	\$2.00	20th
Arizona	\$2.00	20th
Arkansas	\$1.15	36th
California	\$2.87	13th
Colorado	\$2.24	17th
Connecticut	\$4.35	5th
Delaware	\$2.10	18th
DC	\$4.50	3rd
Florida	\$1.339	33rd
Georgia	\$0.37	50th
Hawaii	\$3.20	8th
Idaho	\$0.57	46th
Illinois	\$2.98	12th
Indiana	\$0.995	39th
Iowa	\$1.36	32nd
Kansas	\$1.29	34th
Kentucky	\$1.10	37th

State	Tax	Rank
Louisiana	\$1.08	38th
Maine	\$2.00	20th
Maryland	\$5.00	2nd
Massachusetts	\$3.51	6th
Michigan	\$2.00	20th
Minnesota	\$3.04	10th
Mississippi	\$0.68	40th
Missouri	\$0.17	51st
Montana	\$1.70	27th
Nebraska	\$0.64	42nd
Nevada	\$1.80	25th
New Hampshire	\$1.78	26th
New Jersey	\$2.70	14th
New Mexico	\$2.00	20th
New York	\$5.35	1st
North Carolina	\$0.45	48th
North Dakota	\$0.44	49th
Ohio	\$1.60	29th

State	Tax	Rank
Oklahoma	\$2.03	19th
Oregon	\$3.33	7th
Pennsylvania	\$2.60	15th
Rhode Island	\$4.50	3rd
South Carolina	\$0.57	46th
South Dakota	\$1.53	30th
Tennessee	\$0.62	43rd
Texas	\$1.41	31st
Utah	\$1.70	27th
Vermont	\$3.08	9th
Virginia	\$0.60	44th
Washington	\$3.025	11th
West Virginia	\$1.20	35th
Wisconsin	\$2.52	16th
Wyoming	\$0.60	44th
Puerto Rico	\$5.10	NA
Guam	\$4.00	NA
Northern Mariana Isl.	\$3.75	NA

Table shows all cigarette tax rates currently in effect. Since 2002, 48 states and the District of Columbia have increased their cigarette tax rates 146 times. The states in bold have not increased their tax in 10 years or more (in 2015 or earlier). Currently, 37 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of \$1.00 per pack or higher; 23 states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of \$2.00 per pack or higher; ten states, DC, Puerto Rico, Northern Mariana Islands, and Guam have cigarette tax rates of \$3.00 per pack or higher; four states, DC, Puerto Rico, and Guam have cigarette tax rates of \$4.00 per pack or higher; and two states (MD, NY) and Puerto Rico have cigarette tax rates of \$5.00 per pack or higher. States' average includes DC, but not Puerto Rico, other U.S. territories, or local cigarette taxes. The median tax rate is \$1.78 per pack. AK, MI, MN, MS, TX, and UT also have special taxes or fees on brands of manufacturers not participating in the state tobacco lawsuit settlements (NPMs).

**The highest combined state-local tax rate is \$7.16 in Chicago, IL, with New York, NY second at \$6.85 per pack.**

Other high state-local rates include Evanston, IL at \$6.48 per pack, Glenwood Springs, CO at \$6.24 per pack, and Juneau, AK at \$5.00 per pack. For more information on local cigarette taxes, see: <http://tobaccofreekids.org/research/factsheets/pdf/0267.pdf>.

Federal cigarette tax is \$1.01 per pack. From the beginning of 1998 through 2023, the major cigarette companies increased the prices they charge by more than \$4.00 per pack (but also instituted aggressive retail-level discounting for competitive purposes and to reduce related consumption declines). In January 2003, Philip Morris instituted a 65-cent per pack price cut for four of its major brands, to replace its retail-level discounting and fight sales losses to discount brands, and R.J. Reynolds followed suit. **Nationally, estimated smoking-caused health care costs total \$20.52 per pack.**

The weighted average price for a pack of cigarettes nationwide is roughly \$9.74 (including statewide sales taxes but not local cigarette or sales taxes, other than NYC's \$1.50 per pack cigarette tax), with considerable state-to-state differences because of different state tax rates, and different manufacturer, wholesaler, and retailer pricing and discounting practices. AK, DE, MT, NH & OR have no state retail sales tax at all; OK has a state sales tax, but does not apply it to cigarettes; MN & DC apply a per-pack sales tax at the wholesale level; and AL, GA & MO (unlike the rest of the states) do not apply their state sales tax to that portion of retail cigarette prices that represents the state's cigarette excise tax.

**Campaign for Tobacco-Free Kids, January 22, 2025 / Ann Boonn**

For additional information see the Campaign's website at <https://www.tobaccofreekids.org/fact-sheets/tobacco-taxes/tobacco-taxes>.

Sources: Orzechowski & Walker, *Tax Burden on Tobacco*, 2023; media reports; state revenue department websites.



# Health Effects of Vaping

## AT A GLANCE

Learn more about the health effects of vaping.

## Overview

- No tobacco products, including e-cigarettes, are safe.
- Most e-cigarettes contain nicotine, which is highly addictive and is a health danger for pregnant women, developing fetuses, and youth.<sup>[1]</sup>
- Aerosol from e-cigarettes can also contain harmful and potentially harmful substances. These include cancer-causing chemicals and tiny particles that can be inhaled deep into lungs.<sup>[1]</sup>
- E-cigarettes should not be used by youth, young adults, or women who are pregnant. E-cigarettes may have the potential to benefit adults who smoke and are not pregnant if used as a complete substitute for all smoked tobacco products.<sup>[2] [3] [4]</sup>
- Scientists still have a lot to learn about the short- and long-term health effects of using e-cigarettes.

## Nicotine

Most e-cigarettes, or vapes, contain nicotine, which has known adverse health effects.<sup>[1]</sup>

- Nicotine is highly addictive.<sup>[1]</sup>
- Nicotine is toxic to developing fetuses and is a health danger for pregnant women.<sup>[1]</sup>
- Acute nicotine exposure can be toxic. Children and adults have been poisoned by swallowing, breathing, or absorbing vaping liquid through their skin or eyes. More than 80% of calls to U.S. poison control centers for e-cigarettes are for children less than 5 years old.<sup>[5]</sup>

Nicotine poses unique dangers to youth because their brains are still developing.

- Nicotine can harm brain development which continues until about age 25.<sup>[1]</sup>
- Youth can start showing signs of nicotine addiction quickly, sometimes before the start of regular or daily use.<sup>[1]</sup>
- Using nicotine during adolescence can harm the parts of the brain that control attention, learning, mood, and impulse control.<sup>[1]</sup>
- Adolescents who use nicotine may be at increased risk for future addiction to other drugs.<sup>[1] [6]</sup>
- Youth who vape may also be more likely to smoke cigarettes in the future.<sup>[7] [8] [9] [10] [11] [12]</sup>

## Other potential harms of e-cigarettes

E-cigarette aerosol can contain substances that can be harmful or potentially harmful to the body. These include:<sup>[1]</sup>

- Nicotine, a highly addictive chemical that can harm adolescent brain development
- Cancer-causing chemicals
- Heavy metals such as nickel, tin, and lead
- Tiny particles that can be inhaled deep into the lungs
- Volatile organic compounds
- Flavorings such as diacetyl, a chemical linked to a serious lung disease. Some flavorings used in e-cigarettes may be safe to eat but not to inhale because the lungs process substances differently than the gut.



E-cigarette aerosol generally contains fewer harmful chemicals than the deadly mix of 7,000 chemicals in smoke from cigarettes. [\[7\]](#) [\[13\]](#) [\[14\]](#) However, this does not make e-cigarettes safe. Scientists are still learning about the immediate and long-term health effects of using e-cigarettes.

[Dual use](#) refers to the use of both e-cigarettes and regular cigarettes. Dual use is not an effective way to safeguard health. It may result in greater exposure to toxins and worse respiratory health outcomes than using either product alone. [\[2\]](#) [\[3\]](#) [\[4\]](#) [\[15\]](#)

Some people who use e-cigarettes have experienced seizures. Most [reports to the Food and Drug Administration \(FDA\)](#) [\[6\]](#) have involved youth or young adults. [\[16\]](#) [\[17\]](#)

E-cigarettes can cause unintended injuries. Defective e-cigarette batteries have caused fires and explosions, some of which have resulted in serious injuries. Most explosions happened when the batteries were being charged.

Anyone can report health or safety issues with tobacco products, including e-cigarettes, through the [FDA Safety Reporting Portal](#) [\[8\]](#).

## Health effects of vaping for pregnant women

The use of any tobacco product, including e-cigarettes, is not safe during pregnancy. [\[1\]](#) [\[14\]](#) Scientists are still learning about the health effects of vaping on pregnancy and pregnancy outcomes. Here's what we know now:

- Most e-cigarettes, or vapes, contain nicotine—the addictive substance in cigarettes, cigars, and other tobacco products. [\[18\]](#)
- Nicotine is a health danger for pregnant women and is toxic to developing fetuses. [\[1\]](#) [\[14\]](#)
- Nicotine can damage a fetus's developing brain and lungs. [\[13\]](#)
- E-cigarette use during pregnancy has been associated with low birth weight and pre-term birth. [\[19\]](#) [\[20\]](#)

## Nicotine addiction and withdrawal

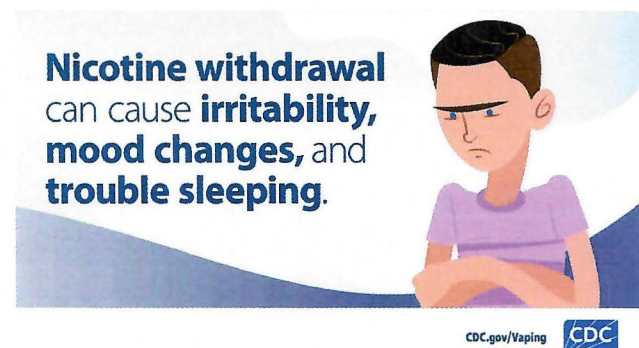
Nicotine is the main addictive substance in tobacco products, including e-cigarettes. With repeated use, a person's brain gets used to having nicotine. This can make them think they need nicotine just to feel okay. This is part of nicotine addiction.

Signs of nicotine addiction include craving nicotine, being unable to stop using it, and developing a tolerance (needing to use more to feel the same). Nicotine addiction can also affect relationships with family and friends and performance in school, at work, or other activities.

When someone addicted to nicotine stops using it, their body and brain have to adjust. This can result in temporary [symptoms of nicotine withdrawal](#) which may include:

- Feeling irritable, jumpy, restless, or anxious
- Feeling sad or down
- Having trouble sleeping
- Having a hard time concentrating
- Feeling hungry
- Craving nicotine

Withdrawal symptoms fade over time as the brain gets used to not having nicotine.



Nicotine is the main addictive substance in e-cigarettes. With repeated use, a person's brain gets used to having nicotine.

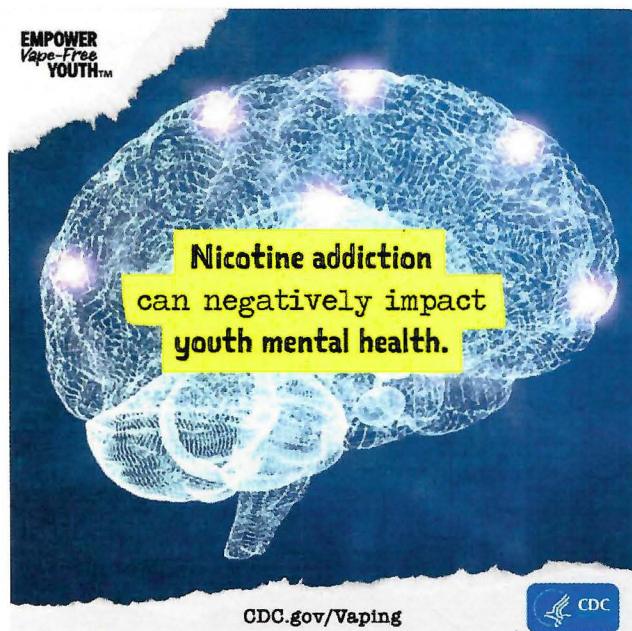
## Nicotine addiction and mental health

Nicotine addiction can harm mental health and be a source of stress. [21] [22] [23] [24] More research is needed to understand the connection between vaping and mental health, but studies show people who quit smoking cigarettes experience: [25]

- Lower levels of anxiety, depression, and stress
- Improved positive mood and quality of life

Mental health is a growing concern among youth. [26] [27] Youth vaping and cigarette use are associated with mental health symptoms such as depression. [22] [28]

The most common reason middle and high school students give for currently using e-cigarettes is, "I am feeling anxious, stressed, or depressed." [29] Nicotine addiction or withdrawal can contribute to these feelings or make them worse. Youth may use tobacco products to relieve their symptoms, which can lead to a cycle of nicotine addiction.



This ad from CDC's *Empower Vape-Free Youth* campaign highlights the connection between nicotine addiction and mental health.

#### SOURCES













##### CONTENT SOURCE:

National Center for Chronic Disease Prevention and Health Promotion; Office on Smoking and Health

#### REFERENCES

1. U.S. Department of Health and Human Services. [E-Cigarette Use Among Youth and Young Adults: A Report of the Surgeon General](#) [PDF]. Centers for Disease Control and Prevention; 2016. Accessed Feb 14, 2024.
2. Goniewicz ML, Smith DM, Edwards KC, et al. [Comparison of nicotine and toxicant exposure in users of electronic cigarettes and combustible cigarettes](#) []. *JAMA Netw Open*. 2018;1(8):e185937.
3. Reddy KP, Schwamm E, Kalkhoran S, et al. [Respiratory symptom incidence among people using electronic cigarettes, combustible tobacco, or both](#) []. *Am J Respir Crit Care Med*. 2021;204(2):231–234.
4. Smith DM, Christensen C, van Bommel D, et al. [Exposure to nicotine and toxicants among dual users of tobacco cigarettes and e-cigarettes: Population Assessment of Tobacco and Health \(PATH\) Study, 2013–2014](#) []. *Nicotine Tob Res*. 2021;23(5):790–797.
5. Tashakkori NA, Rostron BL, Christensen CH, Cullen KA. [Notes from the field: e-cigarette–associated cases reported to poison centers — United States, April 1, 2022–March 31, 2023](#). *MMWR Morb Mortal Wkly Rep*. 2023;72:694–695.
6. Yuan M, Cross SJ, Loughlin SE, Leslie FM. [Nicotine and the adolescent brain](#) []. *J Physiol*. 2015;593(16):3397–3412.
7. National Academies of Sciences, Engineering, and Medicine. [Public Health Consequences of E-Cigarettes](#) []. The National Academies Press; 2018.
8. Barrington-Trimis JL, Kong G, Leventhal AM, et al. [E-cigarette use and subsequent smoking frequency among adolescents](#) []. *Pediatrics*. 2018;142(6):e20180486.
9. Barrington-Trimis JL, Urman R, Berhane K, et al. [E-cigarettes and future cigarette use](#) []. *Pediatrics*. 2016;138(1):e20160379.
10. Bunnell RE, Agaku IT, Arrazola RA, et al. [Intentions to smoke cigarettes among never-smoking US middle and high school electronic cigarette users: National Youth Tobacco Survey, 2011–2013](#) []. *Nicotine Tob Res*. 2015;17(2):228–235.



1. Soneji S, Barrington-Trimis JL, Wills TA, et al. [Association between initial use of e-cigarettes and subsequent cigarette smoking among adolescents and young adults: a systematic review and meta-analysis](#) . *JAMA Pediatr*. 2017;171(8):788–797.
2. Sun R, Méndez D, Warner KE. [Association of electronic cigarette use by U.S. adolescents with subsequent persistent cigarette smoking](#) . *JAMA Netw Open*. 2023;6(3):e234885.
3. U.S. Department of Health and Human Services. [How Tobacco Smoke Causes Disease: The Biology and Behavioral Basis for Smoking-Attributable Disease](#) . Centers for Disease Control and Prevention; 2010. Accessed Feb 13, 2024.
4. U.S. Department of Health and Human Services. [The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General](#) . Centers for Disease Control and Prevention; 2014. Accessed Feb 12, 2024.
5. Mukerjee R, Hirschtick JL, LZ Arciniega, et al. [ENDS, cigarettes, and respiratory illness: longitudinal associations among U.S. youth](#) . *AJPM*. Published online Dec 2023.
6. Faulcon LM, Rudy S, Limpert J, Wang B, Murphy I. [Adverse experience reports of seizures in youth and young adult electronic nicotine delivery systems users](#) . *J Adolesc Health*. 2020;66(1):15–17.
7. U.S. Food and Drug Administration. [E-cigarette: Safety Communication - Related to Seizures Reported Following E-cigarette Use, Particularly in Youth and Young Adults](#) . U.S. Department of Health and Human Services; 2019. Accessed Feb 14, 2024.
8. Marynak KL, Gammon DG, Rogers T, et al. [Sales of nicotine-containing electronic cigarette products: United States, 2015](#) . *Am J Public Health*. 2017;107(5):702–705.
9. Regan AK, Bombard JM, O'Hegarty MM, Smith RA, Tong VT. [Adverse birth outcomes associated with prepregnancy and prenatal electronic cigarette use](#) . *Obstet Gynecol*. 2021;138(1):85–94.
10. Regan AK, Pereira G. [Patterns of combustible and electronic cigarette use during pregnancy and associated pregnancy outcomes](#) . *Sci Rep*. 2021;11(1):13508.
11. Kutlu MG, Parikh V, Gould TJ. [Nicotine addiction and psychiatric disorders](#) . *Int Rev Neurobiol*. 2015;124:171–208.
12. Obisesan OH, Mirbolouk M, Osei AD, et al. [Association between e-cigarette use and depression in the Behavioral Risk Factor Surveillance System, 2016–2017](#) . *JAMA Netw Open*. 2019;2(12):e1916800.
13. Prochaska JJ, Das S, Young-Wolff KC. [Smoking, mental illness, and public health](#) . *Annu Rev Public Health*. 2017;38:165–185.
14. Wootton RE, Richmond RC, Stuijzand BG, et al. [Evidence for causal effects of lifetime smoking on risk for depression and schizophrenia: a Mendelian randomisation study](#) . *Psychol Med*. 2020;50(14):2435–2443.
15. Taylor G, McNeill A, Girling A, Farley A, Lindson-Hawley N, Aveyard P. [Change in mental health after smoking cessation: systematic review and meta-analysis](#) . *BMJ*. 2014;348:g1151.
16. Centers for Disease Control and Prevention. [Youth Risk Behavior Survey Data Summary & Trends Report: 2011–2021](#) . U.S. Department of Health and Human Services; 2023. Accessed Dec 15, 2023.
17. U.S. Department of Health and Human Services. [Protecting Youth Mental Health: The U.S. Surgeon General's Advisory](#)  . Office of the Surgeon General; 2021. Accessed Jan 5, 2024.
18. Lechner WV, Janssen T, Kahler CW, Audrain-McGovern J, Leventhal AM. [Bi-directional associations of electronic and combustible cigarette use onset patterns with depressive symptoms in adolescents](#) . *Prev Med*. 2017;96:73–78.
19. Gentzke AS, Wang TW, Cornelius M, et al. [Tobacco product use and associated factors among middle and high school students—National Youth Tobacco Survey, United States, 2021](#). *MMWR Surveill Summ*. 2022;71(No. SS-5):1–29.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

## North Dakota High School Survey

## Summary Tables - Weighted Data

QNFRSIG: Percentage of students who currently smoked cigarettes frequently (on 20 or more days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	0.7	( 0.4 - 1.1 )	1,942	1.2	( 0.7 - 1.9 )	954	0.2	( 0.0 - 0.6 )	981
<b>Age</b>									
15 or younger	0.5	( 0.2 - 1.5 )	704	0.7	( 0.2 - 2.8 )	332	0.3	( 0.1 - 1.6 )	370
16 or 17	0.9	( 0.5 - 1.8 )	957	1.7	( 0.8 - 3.3 )	475	0.1	( 0.0 - 0.7 )	479
18 or older	0.3	( 0.0 - 2.1 )	280	0.6	( 0.1 - 4.2 )	147	0.0	-	132
<b>Grade</b>									
9th	0.7	( 0.2 - 1.8 )	537	0.9	( 0.2 - 3.4 )	253	0.4	( 0.1 - 2.1 )	282
10th	0.8	( 0.3 - 1.9 )	515	1.5	( 0.6 - 3.7 )	272	0.0	-	240
11th	0.6	( 0.2 - 2.2 )	478	1.0	( 0.3 - 3.6 )	223	0.2	( 0.0 - 1.3 )	254
12th	0.7	( 0.2 - 2.0 )	409	1.3	( 0.4 - 4.0 )	205	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	0.0	-	116	0.0	-	60	0.0	-	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.1	( 0.5 - 8.4 )	78	4.3	( 1.1 - 15.7 )	39	0.0	-	39
Hispanic/Latino	1.0	( 0.2 - 4.1 )	151	1.3	( 0.2 - 9.0 )	70	0.7	( 0.1 - 4.9 )	81
White*	0.6	( 0.3 - 1.2 )	1,427	1.1	( 0.6 - 2.2 )	705	0.1	( 0.0 - 0.9 )	717
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	1.7	( 0.4 - 6.8 )	119	2.0	( 0.3 - 13.1 )	57	1.5	( 0.2 - 10.4 )	62

Note: 13 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNDAYCIG: Percentage of students who currently smoked cigarettes daily (on all 30 days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	0.5	( 0.3 - 0.9 )	1,942	0.9	( 0.5 - 1.6 )	954	0.2	( 0.0 - 0.6 )	981
<b>Age</b>									
15 or younger	0.3	( 0.1 - 1.0 )	704	0.3	( 0.0 - 2.0 )	332	0.3	( 0.1 - 1.6 )	370
16 or 17	0.8	( 0.4 - 1.6 )	957	1.5	( 0.7 - 3.0 )	475	0.1	( 0.0 - 0.7 )	479
18 or older	0.3	( 0.0 - 2.1 )	280	0.6	( 0.1 - 4.2 )	147	0.0	-	132
<b>Grade</b>									
9th	0.4	( 0.1 - 1.3 )	537	0.4	( 0.1 - 2.4 )	253	0.4	( 0.1 - 2.1 )	282
10th	0.8	( 0.3 - 1.9 )	515	1.5	( 0.6 - 3.7 )	272	0.0	-	240
11th	0.4	( 0.1 - 2.1 )	478	0.6	( 0.1 - 2.9 )	223	0.2	( 0.0 - 1.3 )	254
12th	0.7	( 0.2 - 2.0 )	409	1.3	( 0.4 - 4.0 )	205	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	0.0	-	116	0.0	-	60	0.0	-	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.1	( 0.5 - 8.4 )	78	4.3	( 1.1 - 15.7 )	39	0.0	-	39
Hispanic/Latino	1.0	( 0.2 - 4.1 )	151	1.3	( 0.2 - 9.0 )	70	0.7	( 0.1 - 4.9 )	81
White*	0.5	( 0.2 - 0.9 )	1,427	0.8	( 0.4 - 1.6 )	705	0.1	( 0.0 - 0.9 )	717
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	1.7	( 0.4 - 6.8 )	119	2.0	( 0.3 - 13.1 )	57	1.5	( 0.2 - 10.4 )	62

Note: 13 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QN33: Percentage of students who currently smoked cigarettes (on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	5.4	( 4.2 - 6.9 )	1,942	6.5	( 5.0 - 8.5 )	954	4.1	( 2.8 - 6.0 )	981
<b>Age</b>									
15 or younger	3.6	( 2.4 - 5.5 )	704	3.2	( 1.7 - 6.2 )	332	4.0	( 2.4 - 6.8 )	370
16 or 17	5.7	( 4.0 - 8.0 )	957	8.1	( 5.4 - 11.9 )	475	3.1	( 1.7 - 5.7 )	479
18 or older	8.0	( 4.8 - 13.2 )	280	8.8	( 5.0 - 14.9 )	147	7.2	( 3.2 - 15.3 )	132
<b>Grade</b>									
9th	3.4	( 2.1 - 5.4 )	537	3.5	( 1.7 - 7.1 )	253	3.3	( 1.6 - 6.6 )	282
10th	3.6	( 2.4 - 5.4 )	515	4.7	( 2.9 - 7.7 )	272	2.5	( 1.1 - 5.4 )	240
11th	6.8	( 4.5 - 10.1 )	478	8.6	( 5.2 - 14.0 )	223	4.4	( 2.2 - 8.8 )	254
12th	8.1	( 4.9 - 13.1 )	409	10.0	( 6.1 - 15.9 )	205	6.1	( 2.7 - 13.5 )	203
<b>Race/Ethnicity</b>									
Native American*	6.8	( 4.0 - 11.1 )	116	8.0	( 4.2 - 14.8 )	60	5.3	( 1.9 - 13.7 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.1	( 0.5 - 8.4 )	78	4.3	( 1.1 - 15.7 )	39	0.0	-	39
Hispanic/Latino	10.0	( 6.2 - 15.7 )	151	9.2	( 4.1 - 19.4 )	70	10.7	( 5.2 - 20.7 )	81
White*	5.1	( 3.6 - 7.0 )	1,427	6.4	( 4.5 - 8.8 )	705	3.6	( 2.2 - 5.9 )	717
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	8.0	( 4.0 - 15.2 )	119	7.1	( 2.6 - 18.0 )	57	8.8	( 3.6 - 20.2 )	62

Note: 13 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.



## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QN35: Percentage of students who ever used an electronic vapor product (including e-cigarettes, vapes, vape pens, e-cigars, e-hookahs, hookah pens, and mods [such as JUUL, SMOK, Suorin, Vuse, and blu])

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	31.6	( 28.5 - 34.9 )	1,934	28.7	( 25.4 - 32.2 )	951	34.7	( 30.3 - 39.3 )	976
<b>Age</b>									
15 or younger	23.7	( 19.8 - 28.0 )	700	21.8	( 17.5 - 26.9 )	331	25.7	( 20.4 - 31.8 )	367
16 or 17	35.5	( 31.5 - 39.8 )	951	32.3	( 27.0 - 38.0 )	471	38.9	( 33.9 - 44.1 )	477
18 or older	36.9	( 30.9 - 43.3 )	282	32.0	( 24.7 - 40.4 )	149	42.6	( 32.9 - 53.0 )	132
<b>Grade</b>									
9th	21.5	( 17.2 - 26.5 )	535	20.6	( 15.7 - 26.5 )	252	22.6	( 16.8 - 29.8 )	281
10th	30.1	( 23.8 - 37.2 )	513	25.7	( 20.0 - 32.4 )	272	34.5	( 24.6 - 45.8 )	238
11th	36.1	( 31.1 - 41.5 )	473	32.8	( 25.7 - 40.8 )	220	39.3	( 32.8 - 46.1 )	252
12th	40.7	( 34.3 - 47.5 )	410	37.4	( 30.3 - 45.0 )	206	44.5	( 35.0 - 54.4 )	203
<b>Race/Ethnicity</b>									
Native American*	48.3	( 38.3 - 58.4 )	113	46.1	( 36.6 - 55.9 )	59	50.2	( 32.0 - 68.4 )	53
Asian*	13.3	( 4.5 - 33.3 )	36	-	-	13	-	-	22
Black*	14.6	( 8.9 - 23.1 )	78	14.8	( 7.1 - 28.5 )	39	14.5	( 6.8 - 28.0 )	39
Hispanic/Latino	47.2	( 37.2 - 57.5 )	148	33.0	( 22.9 - 45.1 )	68	59.3	( 43.2 - 73.6 )	80
White*	29.4	( 26.1 - 32.9 )	1,424	27.0	( 23.3 - 31.1 )	704	32.0	( 27.3 - 37.0 )	715
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	37.1	( 28.0 - 47.3 )	120	28.1	( 18.8 - 39.8 )	58	45.5	( 30.9 - 61.0 )	62

Note: 21 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNFREVP: Percentage of students who currently used electronic vapor products frequently (on 20 or more days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	7.6	( 6.1 - 9.5 )	1,936	6.6	( 5.0 - 8.7 )	951	8.7	( 6.5 - 11.7 )	978
<b>Age</b>									
15 or younger	4.5	( 2.8 - 7.2 )	702	3.0	( 1.3 - 6.7 )	331	6.0	( 3.5 - 9.9 )	369
16 or 17	9.1	( 7.2 - 11.4 )	951	8.9	( 6.5 - 12.2 )	471	9.3	( 6.5 - 13.2 )	477
18 or older	10.0	( 6.8 - 14.4 )	282	6.9	( 3.8 - 12.3 )	149	13.5	( 8.5 - 20.7 )	132
<b>Grade</b>									
9th	3.7	( 2.1 - 6.6 )	536	2.6	( 1.1 - 5.9 )	252	4.9	( 2.4 - 9.9 )	282
10th	6.3	( 4.3 - 9.2 )	515	6.2	( 3.6 - 10.4 )	272	6.6	( 4.1 - 10.6 )	240
11th	9.4	( 7.0 - 12.6 )	473	8.9	( 5.9 - 13.2 )	220	10.0	( 6.4 - 15.3 )	252
12th	11.6	( 7.9 - 16.9 )	409	9.4	( 5.6 - 15.3 )	206	14.1	( 9.1 - 21.3 )	202
<b>Race/Ethnicity</b>									
Native American*	10.4	( 6.4 - 16.5 )	114	3.6	( 1.0 - 12.2 )	59	19.0	( 10.4 - 32.1 )	54
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	3.5	( 1.1 - 10.9 )	78	4.3	( 1.1 - 15.4 )	39	2.8	( 0.4 - 18.5 )	39
Hispanic/Latino	9.8	( 5.6 - 16.8 )	149	5.7	( 1.9 - 15.7 )	68	13.3	( 7.3 - 23.1 )	81
White*	7.4	( 5.7 - 9.6 )	1,425	7.4	( 5.4 - 10.0 )	704	7.5	( 5.3 - 10.6 )	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	9.7	( 5.6 - 16.3 )	119	10.0	( 4.4 - 20.9 )	58	9.4	( 4.2 - 19.7 )	61

Note: 19 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.



## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNDAYEVP: Percentage of students who currently used electronic vapor products daily (on all 30 days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	6.0	( 4.6 - 7.9 )	1,936	5.2	( 3.7 - 7.2 )	951	7.0	( 5.0 - 9.7 )	978
<b>Age</b>									
15 or younger	3.1	( 1.6 - 5.7 )	702	2.0	( 0.7 - 5.9 )	331	4.1	( 2.1 - 7.7 )	369
16 or 17	7.3	( 5.4 - 9.8 )	951	7.0	( 4.7 - 10.3 )	471	7.7	( 5.2 - 11.2 )	477
18 or older	8.8	( 6.0 - 12.6 )	282	6.2	( 3.4 - 11.2 )	149	11.7	( 7.5 - 18.0 )	132
<b>Grade</b>									
9th	2.7	( 1.3 - 5.8 )	536	1.7	( 0.6 - 5.0 )	252	3.8	( 1.6 - 8.9 )	282
10th	4.1	( 2.5 - 6.8 )	515	3.9	( 1.9 - 8.0 )	272	4.4	( 2.4 - 8.1 )	240
11th	7.9	( 5.6 - 10.9 )	473	8.2	( 5.4 - 12.4 )	220	7.6	( 4.6 - 12.1 )	252
12th	10.1	( 6.8 - 14.7 )	409	7.5	( 4.2 - 13.2 )	206	12.8	( 8.3 - 19.2 )	202
<b>Race/Ethnicity</b>									
Native American*	7.8	( 3.9 - 15.0 )	114	1.7	( 0.2 - 10.7 )	59	15.5	( 7.5 - 29.1 )	54
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.6	( 0.6 - 10.2 )	78	2.3	( 0.3 - 14.8 )	39	2.8	( 0.4 - 18.5 )	39
Hispanic/Latino	8.9	( 4.8 - 16.1 )	149	4.5	( 1.1 - 15.8 )	68	12.7	( 6.8 - 22.4 )	81
White*	5.9	( 4.4 - 7.9 )	1,425	6.0	( 4.2 - 8.6 )	704	5.8	( 4.0 - 8.3 )	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	7.5	( 3.8 - 14.2 )	119	8.3	( 3.5 - 18.6 )	58	6.7	( 2.4 - 17.4 )	61

Note: 19 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QN36: Percentage of students who currently used an electronic vapor product (including e-cigarettes, vapes, vape pens, e-cigars, e-hookahs, hookah pens, and mods [such as JUUL, SMOK, Suorin, Vuse, and blu], on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	18.2	( 15.9 - 20.8 )	1,936	16.4	( 14.1 - 19.0 )	951	20.0	( 16.6 - 23.9 )	978
<b>Age</b>									
15 or younger	12.0	( 9.2 - 15.5 )	702	11.8	( 8.4 - 16.3 )	331	12.2	( 8.9 - 16.6 )	369
16 or 17	21.7	( 18.7 - 24.9 )	951	19.7	( 15.6 - 24.5 )	471	23.6	( 19.2 - 28.6 )	477
18 or older	21.3	( 16.1 - 27.7 )	282	16.4	( 12.2 - 21.7 )	149	27.1	( 18.7 - 37.4 )	132
<b>Grade</b>									
9th	11.1	( 7.9 - 15.3 )	536	10.8	( 7.3 - 15.8 )	252	11.4	( 7.6 - 16.7 )	282
10th	17.0	( 13.2 - 21.7 )	515	16.8	( 13.1 - 21.2 )	272	16.8	( 11.1 - 24.7 )	240
11th	23.8	( 20.2 - 27.7 )	473	19.3	( 14.2 - 25.6 )	220	28.1	( 22.1 - 35.0 )	252
12th	22.4	( 16.7 - 29.4 )	409	19.9	( 14.1 - 27.2 )	206	25.2	( 17.3 - 35.2 )	202
<b>Race/Ethnicity</b>									
Native American*	29.0	( 21.8 - 37.5 )	114	25.9	( 19.5 - 33.5 )	59	31.7	( 19.1 - 47.5 )	54
Asian*	5.5	( 0.7 - 31.0 )	36	-	-	13	-	-	22
Black*	8.3	( 4.0 - 16.3 )	78	6.7	( 2.2 - 19.0 )	39	9.8	( 3.7 - 23.8 )	39
Hispanic/Latino	25.2	( 18.1 - 33.9 )	149	15.3	( 8.8 - 25.3 )	68	33.5	( 22.5 - 46.6 )	81
White*	17.0	( 14.4 - 20.0 )	1,425	15.9	( 13.2 - 19.1 )	704	18.1	( 14.3 - 22.7 )	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	20.9	( 14.7 - 28.7 )	119	20.4	( 11.6 - 33.4 )	58	21.3	( 12.1 - 34.8 )	61

Note: 19 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNFRSKL: Percentage of students who currently used smokeless tobacco frequently (chewing tobacco, snuff, dip, snus, or dissolvable tobacco products [such as Copenhagen, Grizzly, Skoal, or Camel Snus], not counting any electronic vapor products, on 20 or more days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	0.8	( 0.5 - 1.5 )	1,947	1.3	( 0.7 - 2.5 )	960	0.3	( 0.1 - 1.2 )	980
<b>Age</b>									
15 or younger	0.8	( 0.3 - 2.0 )	703	0.8	( 0.3 - 2.5 )	332	0.8	( 0.2 - 3.4 )	369
16 or 17	0.7	( 0.3 - 1.7 )	959	1.3	( 0.5 - 3.3 )	477	0.1	( 0.0 - 0.7 )	479
18 or older	1.4	( 0.5 - 3.4 )	284	2.5	( 1.0 - 6.3 )	151	0.0	-	132
<b>Grade</b>									
9th	0.7	( 0.2 - 2.3 )	536	0.8	( 0.2 - 3.0 )	252	0.7	( 0.1 - 4.9 )	282
10th	0.9	( 0.3 - 2.8 )	516	1.7	( 0.5 - 5.4 )	273	0.0	-	240
11th	0.1	( 0.0 - 0.6 )	478	0.0	-	224	0.2	( 0.0 - 1.3 )	253
12th	1.5	( 0.7 - 3.3 )	414	2.9	( 1.4 - 6.2 )	210	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	1.7	( 0.5 - 5.7 )	116	1.6	( 0.2 - 10.5 )	60	1.9	( 0.3 - 9.8 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	1.1	( 0.2 - 7.8 )	79	2.3	( 0.3 - 14.4 )	40	0.0	-	39
Hispanic/Latino	3.2	( 1.6 - 6.1 )	153	4.5	( 1.4 - 13.7 )	72	2.0	( 0.4 - 8.7 )	81
White*	0.5	( 0.2 - 1.3 )	1,427	1.0	( 0.4 - 2.4 )	706	0.0	-	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	0.0	-	121	0.0	-	59	0.0	-	62

Note: 8 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNDAYSKL: Percentage of students who currently used smokeless tobacco daily (chewing tobacco, snuff, dip, snus, or dissolvable tobacco products [such as Copenhagen, Grizzly, Skoal, or Camel Snus], not counting any electronic vapor products, on all 30 days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
<b>Total</b>	0.8	( 0.5 - 1.4 )	1,947	1.3	( 0.7 - 2.5 )	960	0.3	( 0.1 - 1.2 )	980
<b>Age</b>									
15 or younger	0.8	( 0.3 - 2.0 )	703	0.8	( 0.3 - 2.5 )	332	0.8	( 0.2 - 3.4 )	369
16 or 17	0.7	( 0.3 - 1.7 )	959	1.3	( 0.5 - 3.3 )	477	0.0	-	479
18 or older	1.4	( 0.5 - 3.4 )	284	2.5	( 1.0 - 6.3 )	151	0.0	-	132
<b>Grade</b>									
9th	0.7	( 0.2 - 2.3 )	536	0.8	( 0.2 - 3.0 )	252	0.7	( 0.1 - 4.9 )	282
10th	0.9	( 0.3 - 2.8 )	516	1.7	( 0.5 - 5.4 )	273	0.0	-	240
11th	0.0	-	478	0.0	-	224	0.0	-	253
12th	1.5	( 0.7 - 3.3 )	414	2.9	( 1.4 - 6.2 )	210	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	1.7	( 0.5 - 5.7 )	116	1.6	( 0.2 - 10.5 )	60	1.9	( 0.3 - 9.8 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	1.1	( 0.2 - 7.8 )	79	2.3	( 0.3 - 14.4 )	40	0.0	-	39
Hispanic/Latino	2.8	( 1.4 - 5.7 )	153	4.5	( 1.4 - 13.7 )	72	1.4	( 0.2 - 9.4 )	81
White*	0.5	( 0.2 - 1.3 )	1,427	1.0	( 0.4 - 2.4 )	706	0.0	-	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	0.0	-	121	0.0	-	59	0.0	-	62

Note: 8 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QN38: Percentage of students who currently used smokeless tobacco (chewing tobacco, snuff, dip, snus, or dissolvable tobacco products [such as Copenhagen, Grizzly, Skoal, Camel Snus, or Velo Nicotine Lozenges], not counting any electronic vapor products, on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	3.4	( 2.4 - 4.8 )	1,947	5.5	( 4.0 - 7.6 )	960	1.2	( 0.6 - 2.3 )	980
<b>Age</b>									
15 or younger	2.2	( 1.1 - 4.4 )	703	3.2	( 1.5 - 6.6 )	332	1.2	( 0.4 - 3.6 )	369
16 or 17	3.6	( 2.3 - 5.6 )	959	5.9	( 3.9 - 9.0 )	477	1.2	( 0.5 - 2.8 )	479
18 or older	5.3	( 2.6 - 10.5 )	284	9.0	( 4.6 - 16.9 )	151	0.8	( 0.1 - 5.8 )	132
<b>Grade</b>									
9th	2.3	( 1.0 - 4.9 )	536	3.2	( 1.3 - 7.5 )	252	1.3	( 0.4 - 4.6 )	282
10th	2.5	( 1.4 - 4.3 )	516	4.6	( 2.6 - 7.9 )	273	0.3	( 0.0 - 2.2 )	240
11th	4.1	( 2.0 - 8.1 )	478	5.6	( 2.8 - 10.8 )	224	2.1	( 0.8 - 4.9 )	253
12th	5.1	( 2.8 - 9.2 )	414	9.2	( 5.1 - 16.2 )	210	0.6	( 0.1 - 4.1 )	203
<b>Race/Ethnicity</b>									
Native American*	3.6	( 1.5 - 8.4 )	116	5.0	( 1.7 - 14.2 )	60	1.9	( 0.3 - 9.8 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.1	( 0.5 - 8.3 )	79	4.1	( 1.0 - 15.3 )	40	0.0	-	39
Hispanic/Latino	5.3	( 2.9 - 9.3 )	153	7.8	( 3.2 - 18.1 )	72	3.0	( 0.9 - 9.7 )	81
White*	3.4	( 2.3 - 5.2 )	1,427	5.6	( 3.9 - 8.0 )	706	1.0	( 0.4 - 2.4 )	716
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	2.6	( 0.8 - 8.2 )	121	5.4	( 1.7 - 16.1 )	59	0.0	-	62

Note: 8 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.



## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNFRCCR: Percentage of students who currently smoked cigars frequently (cigars, cigarillos, or little cigars, on 20 or more days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	1.0	( 0.6 - 1.6 )	1,944	1.5	( 0.8 - 2.9 )	959	0.4	( 0.1 - 1.2 )	978
<b>Age</b>									
15 or younger	0.7	( 0.3 - 1.9 )	702	0.7	( 0.2 - 2.1 )	332	0.8	( 0.2 - 3.4 )	368
16 or 17	0.9	( 0.4 - 2.0 )	957	1.6	( 0.7 - 3.8 )	476	0.2	( 0.0 - 1.3 )	478
18 or older	1.6	( 0.5 - 5.1 )	284	3.0	( 0.9 - 9.2 )	151	0.0	-	132
<b>Grade</b>									
9th	0.5	( 0.1 - 2.2 )	535	0.4	( 0.1 - 2.5 )	252	0.7	( 0.1 - 4.9 )	281
10th	1.0	( 0.4 - 2.9 )	514	2.0	( 0.7 - 5.4 )	273	0.0	-	238
11th	0.5	( 0.1 - 2.2 )	478	0.7	( 0.1 - 4.8 )	223	0.4	( 0.1 - 2.5 )	254
12th	1.7	( 0.7 - 4.4 )	414	3.3	( 1.3 - 8.3 )	210	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	1.7	( 0.5 - 5.7 )	116	1.6	( 0.2 - 10.5 )	60	1.9	( 0.3 - 9.8 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.8	( 0.7 - 10.9 )	78	5.6	( 1.3 - 20.5 )	39	0.0	-	39
Hispanic/Latino	3.4	( 1.7 - 6.7 )	153	5.7	( 2.0 - 15.3 )	72	1.4	( 0.2 - 9.4 )	81
White*	0.5	( 0.2 - 1.3 )	1,425	1.0	( 0.4 - 2.4 )	706	0.1	( 0.0 - 0.9 )	714
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	0.0	-	121	0.0	-	59	0.0	-	62

Note: 11 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNDAYCGR: Percentage of students who currently smoked cigars daily (cigars, cigarillos, or little cigars, on all 30 days during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	0.7	( 0.4 - 1.2 )	1,944	1.0	( 0.5 - 2.0 )	959	0.3	( 0.1 - 1.2 )	978
<b>Age</b>									
15 or younger	0.7	( 0.3 - 1.9 )	702	0.7	( 0.2 - 2.1 )	332	0.8	( 0.2 - 3.4 )	368
16 or 17	0.6	( 0.2 - 1.4 )	957	1.1	( 0.4 - 2.6 )	476	0.0	-	478
18 or older	0.9	( 0.2 - 4.0 )	284	1.7	( 0.4 - 7.3 )	151	0.0	-	132
<b>Grade</b>									
9th	0.5	( 0.1 - 2.2 )	535	0.4	( 0.1 - 2.5 )	252	0.7	( 0.1 - 4.9 )	281
10th	0.6	( 0.2 - 2.0 )	514	1.2	( 0.4 - 3.7 )	273	0.0	-	238
11th	0.2	( 0.0 - 1.2 )	478	0.3	( 0.0 - 2.4 )	223	0.0	-	254
12th	1.2	( 0.4 - 3.4 )	414	2.3	( 0.8 - 6.5 )	210	0.0	-	203
<b>Race/Ethnicity</b>									
Native American*	0.8	( 0.1 - 4.9 )	116	0.0	-	60	1.9	( 0.3 - 9.8 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	2.8	( 0.7 - 10.9 )	78	5.6	( 1.3 - 20.5 )	39	0.0	-	39
Hispanic/Latino	3.4	( 1.7 - 6.7 )	153	5.7	( 2.0 - 15.3 )	72	1.4	( 0.2 - 9.4 )	81
White*	0.3	( 0.1 - 0.8 )	1,425	0.5	( 0.2 - 1.5 )	706	0.0	-	714
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	0.0	-	121	0.0	-	59	0.0	-	62

Note: 11 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNTB2: Percentage of students who currently smoked cigarettes or cigars (on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	6.7	( 5.3 - 8.5 )	1,936	8.4	( 6.6 - 10.6 )	952	5.0	( 3.5 - 6.9 )	977
<b>Age</b>									
15 or younger	4.5	( 3.0 - 6.6 )	701	4.7	( 2.8 - 7.8 )	331	4.3	( 2.5 - 7.3 )	368
16 or 17	7.1	( 5.2 - 9.8 )	954	9.7	( 6.8 - 13.7 )	474	4.4	( 2.7 - 7.1 )	477
18 or older	10.2	( 6.4 - 15.8 )	280	12.0	( 7.6 - 18.5 )	147	8.1	( 3.9 - 16.4 )	132
<b>Grade</b>									
9th	4.4	( 2.8 - 6.8 )	535	5.3	( 3.1 - 9.1 )	252	3.4	( 1.7 - 6.8 )	281
10th	4.1	( 2.7 - 6.0 )	512	5.3	( 3.3 - 8.4 )	272	2.8	( 1.3 - 6.0 )	237
11th	9.0	( 6.2 - 12.9 )	477	10.6	( 6.9 - 16.0 )	222	6.9	( 4.2 - 11.2 )	254
12th	10.0	( 6.5 - 15.3 )	409	13.1	( 8.6 - 19.4 )	205	6.8	( 3.1 - 14.1 )	203
<b>Race/Ethnicity</b>									
Native American*	7.4	( 4.5 - 11.9 )	116	8.0	( 4.2 - 14.8 )	60	6.7	( 2.8 - 15.4 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	3.3	( 1.0 - 10.1 )	77	4.4	( 1.1 - 16.1 )	38	2.3	( 0.3 - 13.9 )	39
Hispanic/Latino	10.0	( 6.2 - 15.7 )	151	9.2	( 4.1 - 19.4 )	70	10.7	( 5.2 - 20.7 )	81
White*	6.7	( 5.0 - 9.0 )	1,422	8.8	( 6.6 - 11.6 )	704	4.4	( 2.8 - 6.8 )	713
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	9.7	( 5.2 - 17.2 )	119	9.1	( 3.7 - 20.9 )	57	10.2	( 4.5 - 21.6 )	62

Note: 19 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.



## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNTB3: Percentage of students who currently smoked cigarettes or cigars or used smokeless tobacco (on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	7.6	( 6.0 - 9.5 )	1,935	9.8	( 7.8 - 12.3 )	952	5.2	( 3.8 - 7.2 )	976
<b>Age</b>									
15 or younger	5.3	( 3.6 - 7.9 )	701	6.1	( 3.6 - 10.1 )	331	4.6	( 2.8 - 7.6 )	368
16 or 17	8.0	( 5.8 - 10.9 )	953	11.0	( 7.8 - 15.5 )	474	4.7	( 2.9 - 7.6 )	476
18 or older	11.2	( 7.1 - 17.1 )	280	13.9	( 8.7 - 21.2 )	147	8.1	( 3.9 - 16.4 )	132
<b>Grade</b>									
9th	5.3	( 3.3 - 8.4 )	535	6.8	( 3.8 - 11.7 )	252	3.8	( 2.0 - 7.2 )	281
10th	4.5	( 3.0 - 6.8 )	512	6.2	( 4.1 - 9.5 )	272	2.8	( 1.3 - 6.0 )	237
11th	10.1	( 6.8 - 14.7 )	476	12.0	( 7.7 - 18.3 )	222	7.6	( 4.7 - 12.2 )	253
12th	11.1	( 7.3 - 16.6 )	409	15.2	( 10.0 - 22.5 )	205	6.8	( 3.1 - 14.1 )	203
<b>Race/Ethnicity</b>									
Native American*	9.3	( 5.8 - 14.5 )	116	11.5	( 6.4 - 19.7 )	60	6.7	( 2.8 - 15.4 )	55
Asian*	0.0	-	36	-	-	13	-	-	22
Black*	3.3	( 1.0 - 10.1 )	77	4.4	( 1.1 - 16.1 )	38	2.3	( 0.3 - 13.9 )	39
Hispanic/Latino	10.0	( 6.2 - 15.7 )	151	9.2	( 4.1 - 19.4 )	70	10.7	( 5.2 - 20.7 )	81
White*	7.6	( 5.7 - 10.0 )	1,421	10.2	( 7.7 - 13.2 )	704	4.7	( 3.1 - 7.2 )	712
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	9.7	( 5.2 - 17.2 )	119	9.1	( 3.7 - 20.9 )	57	10.2	( 4.5 - 21.6 )	62

Note: 20 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNTB4: Percentage of students who currently smoked cigarettes or cigars or used smokeless tobacco or electronic vapor products (on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	19.6	( 17.2 - 22.3 )	1,928	18.0	( 15.6 - 20.6 )	948	21.2	( 17.6 - 25.3 )	973
<b>Age</b>									
15 or younger	13.0	( 10.1 - 16.5 )	701	12.7	( 9.2 - 17.4 )	331	13.3	( 9.8 - 17.9 )	368
16 or 17	23.3	( 20.2 - 26.7 )	946	21.6	( 17.7 - 26.2 )	470	24.8	( 20.2 - 30.1 )	473
18 or older	22.8	( 17.3 - 29.5 )	280	18.1	( 13.2 - 24.3 )	147	28.4	( 19.4 - 39.5 )	132
<b>Grade</b>									
9th	12.1	( 8.8 - 16.3 )	535	12.0	( 8.2 - 17.2 )	252	12.2	( 8.2 - 17.9 )	281
10th	17.5	( 13.6 - 22.2 )	512	17.1	( 13.4 - 21.5 )	272	17.4	( 11.7 - 25.2 )	237
11th	26.7	( 22.8 - 30.9 )	471	22.6	( 17.1 - 29.3 )	219	30.6	( 24.7 - 37.2 )	251
12th	23.6	( 17.8 - 30.7 )	407	21.5	( 15.4 - 29.0 )	204	26.1	( 17.8 - 36.5 )	202
<b>Race/Ethnicity</b>									
Native American*	30.8	( 23.8 - 38.8 )	114	27.6	( 21.9 - 34.1 )	59	33.6	( 21.0 - 49.1 )	54
Asian*	5.5	( 0.7 - 31.0 )	36	-	-	13	-	-	22
Black*	10.6	( 5.2 - 20.4 )	77	8.9	( 3.4 - 21.6 )	38	12.1	( 4.4 - 29.2 )	39
Hispanic/Latino	25.2	( 18.1 - 33.9 )	149	15.3	( 8.8 - 25.3 )	68	33.5	( 22.5 - 46.6 )	81
White*	18.4	( 15.7 - 21.4 )	1,419	17.6	( 14.8 - 20.7 )	703	19.2	( 15.3 - 23.9 )	711
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	21.1	( 15.0 - 28.8 )	118	19.3	( 10.5 - 32.8 )	57	22.7	( 13.3 - 36.1 )	61

Note: 27 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.

## 2023 YOUTH RISK BEHAVIOR SURVEY RESULTS

### North Dakota High School Survey Summary Tables - Weighted Data

QNTB5: Percentage of students who currently smoked cigarettes or used electronic vapor products (on at least 1 day during the 30 days before the survey)

	Total			Male			Female		
	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N	Percentage	95% confidence interval	N
Total	19.0	( 16.6 - 21.6 )	1,933	17.4	( 15.1 - 20.0 )	949	20.5	( 17.0 - 24.6 )	977
<b>Age</b>									
15 or younger	12.7	( 9.8 - 16.3 )	702	12.4	( 8.8 - 17.1 )	331	13.1	( 9.6 - 17.7 )	369
16 or 17	22.3	( 19.3 - 25.6 )	950	20.9	( 16.9 - 25.5 )	471	23.7	( 19.2 - 28.9 )	476
18 or older	22.4	( 17.0 - 28.9 )	280	17.3	( 12.9 - 22.9 )	147	28.4	( 19.4 - 39.5 )	132
<b>Grade</b>									
9th	11.8	( 8.6 - 16.2 )	536	11.6	( 7.8 - 16.9 )	252	12.2	( 8.2 - 17.8 )	282
10th	17.1	( 13.3 - 21.8 )	514	16.8	( 13.1 - 21.2 )	272	17.0	( 11.4 - 24.7 )	239
11th	25.2	( 21.3 - 29.5 )	473	21.7	( 16.3 - 28.4 )	220	28.4	( 22.3 - 35.4 )	252
12th	23.2	( 17.4 - 30.1 )	407	20.5	( 14.7 - 27.9 )	204	26.1	( 17.8 - 36.5 )	202
<b>Race/Ethnicity</b>									
Native American*	30.8	( 23.8 - 38.8 )	114	27.6	( 21.9 - 34.1 )	59	33.6	( 21.0 - 49.1 )	54
Asian*	5.5	( 0.7 - 31.0 )	36	-	-	13	-	-	22
Black*	9.3	( 4.6 - 17.6 )	78	8.7	( 3.3 - 21.1 )	39	9.8	( 3.7 - 23.8 )	39
Hispanic/Latino	25.2	( 18.1 - 33.9 )	149	15.3	( 8.8 - 25.3 )	68	33.5	( 22.5 - 46.6 )	81
White*	17.7	( 15.0 - 20.7 )	1,423	16.8	( 14.1 - 19.9 )	703	18.6	( 14.7 - 23.2 )	715
All other races*	-	-	3	-	-	0	-	-	3
Multiple races*	21.1	( 15.0 - 28.8 )	118	19.3	( 10.5 - 32.8 )	57	22.7	( 13.3 - 36.1 )	61

Note: 22 students were excluded from this analysis.

\*Non-Hispanic.

N = Number of students in this subgroup.

- = Fewer than 30 students in this subgroup.





**Fargo Cass Public Health**  
 1240 25th Street South  
 Fargo, ND 58103-2367  
 Phone: 701.241.1360 | Fax: 701.298.6929  
[www.FargoCassPublicHealth.com](http://www.FargoCassPublicHealth.com)

**Fargo Cass**



**Public Health**  
 Prevent. Promote. Protect.

**Testimony**  
**Senate Bill 2281**  
**House Finance and Taxation**  
**March 11, 2025**

Chairman Headland and members of the House Finance and Taxation Committee, I am Jenn Faul, Director of Fargo Cass Public Health. I am providing written testimony for your consideration in support of Senate Bill 2281. I ask that you give this bill a **Do Pass** recommendation.

North Dakota has pledged to become the healthiest state in the country. According to America's Health Rankings, when it comes to smoking and e-cigarette (vaping, etc.) utilization, North Dakota is ranked 30<sup>th</sup> and 41<sup>st</sup> respectively of the 48 states reporting.

National goals and objectives set forth in Healthy People 2030 include: 1) the reduction of e-cigarette use in adolescents TU-05 and 2) increase the national average tax on cigarettes TU 21.

The Youth Risk Behavioral Survey Results for North Dakota show significant strides in the decrease of adolescent cigarette smoking rates; however the increased rates of electronic vaping devices have set us back nearly fourteen years in our efforts to decrease adolescent nicotine use.

Fargo Cass Public Health supports SB 2281 bill as it demonstrates an evidence-based approach to decrease smoking and overall use of nicotine. To further the evidence-based approach would be to increase the overall % of the tax to make it a noticeable tax. Passing SB 2281 aligns us with a national best practice suggested in Healthy People 2030. Furthermore, passing SB 2281 may further our overall health ranking and decreased our youth electronic vaping rates.

Chairman Headland and members of the House Finance and Taxation Committee, you have before you an opportunity to do something that has not been done in legislation for the past **32** years in North Dakota. You can pass a tax that has been proven to decrease nicotine use and increase a positive revenue stream for Public Health and the 988-system supporting Mental Health Crisis in our state.

Fargo Cass Public Health encourages a **Do Pass** recommendation. Thank you for your time and consideration of this testimony.

**Vision:** Healthy People in Healthy Communities

**Mission:** To **prevent** disease and injury, **promote** wellness and **protect** community health.





**Fargo Cass Public Health**  
 1240 25th Street South  
 Fargo, ND 58103-2367  
 Phone: 701.241.1360 | Fax: 701.298.6929  
[www.FargoCassPublicHealth.com](http://www.FargoCassPublicHealth.com)

**Fargo Cass**



**Public Health**  
 Prevent. Promote. Protect.

**Testimony**  
**Senate Bill 2281**  
**House Finance and Taxation**  
**March 11, 2025**

Chairman Headland and members of the House Finance and Taxation Committee, I am, Abby Lange, a Community Health Educator in Health Promotions at Fargo Cass Public Health. I serve our community by addressing two critical public health concerns: tobacco use and mental health. It is no secret that substance use and mental health are deeply interconnected.

Each year, over 1,000 people in North Dakota die from smoking-related illnesses. Tobacco remains the leading cause of preventable death in the United States, with decades of research documenting the severe health consequences of cigarettes. However, we do not yet fully understand the long-term impact of nicotine pouches and vapes. What we do know is that these products deliver highly concentrated doses of nicotine and are increasingly popular among youth.

The CDC recommends a three-pronged approach to reducing tobacco-related illness and death. One of the most effective strategies is increasing the price of tobacco products. Research shows that for every 10% increase in price, youth tobacco use declines by approximately 6.5%. Despite this proven strategy, North Dakota has not increased its tobacco tax since 1993—long before today's youth were even born. In fact, many of the nicotine products most used by young people are not taxed at all beyond sales tax.

One young adult I worked with, who has struggled for years to quit, summed up the issue perfectly:  
 "It's cheaper to just keep vaping."

This heartbreaking reality means that people who genuinely want to quit remain trapped in addiction simply because it's more affordable to continue using nicotine than to seek cessation support.

In my work assisting individuals who want to quit tobacco, I've found a common and alarming trend: most people I've worked with started using nicotine between the ages of 12 and 17—well below the legal purchasing age. This is particularly concerning because adolescence is a critical period for brain development, especially in areas responsible for impulse control and emotional regulation. Nicotine is known to affect how those areas develop. The nicotine content in modern products is exponentially higher than in traditional cigarettes; for example, a single 5,000-puff vape contains as much nicotine as approximately 500 cigarettes. Many youths consume these devices within two weeks or less.

Tobacco use doesn't just affect individuals, it impacts families and communities. Nearly everyone has a story of a loved one whose life was negatively affected by tobacco addiction. I urge you to reflect on your own experiences with loved ones. If there are any questions, I would be pleased to answer them.

Thank you for all your work and your time.

Respectfully,

Abby Lange  
[ALange@FargoND.gov](mailto:ALange@FargoND.gov)  
 (701) 241-8576

**Vision:** Healthy People in Healthy Communities

**Mission:** To **prevent** disease and injury, **promote** wellness and **protect** community health.





P.O. Box 3237  
Bismarck, ND 58502  
701-751-0229  
[www.tfnd.org](http://www.tfnd.org)

March 11, 2025

11:00 am CDT

House Finance and Taxation Committee for the 69<sup>th</sup> ND Legislative Assembly

Chairman Headland, and members of the House Finance and Taxation Committee, hello, my name is Heather Austin, and I am the Executive Director for Tobacco Free North Dakota. The mission of Tobacco Free North Dakota is to improve and protect the public health of all North Dakotans by reducing the serious health and economic consequences of tobacco use, the state's number one cause of preventable disease and death. Thank you so much for your time this morning.

Today I am here to show support for SB 2281, a bill to increase the tax on cigarettes and other forms of commercial tobacco and to update definitions for other commercial tobacco products.

This bill is a more conservative approach to tobacco tax policy than TFND typically promotes. Unfortunately, at 25 cents, the proposed price increase on cigarettes in section 3 of this bill does not fall in line with CDC best practice recommendations. This is because when price increases are made in small increments, the tobacco industry uses coupons and prices discounts to negate the incentive for consumers to quit, lowering the overall health benefits of enacting such a policy. Ideally, an increase of at least one dollar would be considered for the best health outcomes.

That being said, SB 2281 has some great prevention policy pieces included that would help the people of North Dakota. Similar to a previous bill last month, SB 2281 also gives us a chance to close a tax policy loophole for electronic tobacco and nicotine products, which are currently only subjected to sales tax and not a tobacco excise tax. Taxing them at a percentage of wholesale, the same as cigars currently are taxed in ND, allows us to avoid creating product "winners and losers" in our taxation policies, by treating commercial tobacco products all equally with respect to taxation. This makes good sense and provides the added benefit of protecting our kids, and providing funding for services for our citizens, and that creates a healthier state.

Another highlight of SB 2281 is that it includes distinctive language to define products like nicotine pouches, gels, and dissolvables as tobacco products. This will close another loophole the tobacco industry exploits in current code, as products like synthetic nicotine pouches do not fit the current definition of chewing tobacco or snuff. The updated definition proposed in this bill also protects FDA approved nicotine replacement therapies, which are evidence-backed medications to help with tobacco cessation.

As you've heard me say before, it has been many years since North Dakota has addressed the levels of tobacco taxes for our state. We have not kept pace with the cost of illnesses caused by commercial tobacco use, or with the productivity losses ND incurs. Our state's taxpayers absorb

annual costs of smoking-caused government expenditures that is estimated at \$910 per household.<sup>1</sup> We simply have not been able to counteract that in North Dakota by leaving the newest products out of tobacco policies and regulations. And now is the time to correct that. Raising the cigarette excise tax and creating parity for all commercial tobacco products could help offset some of these costs for North Dakotans.

Once again, I'm happy to point out that North Dakota has one of the best Quitlines in the nation with NDQuits. They are standing ready to help make sure no citizen has to continue paying the price of commercial tobacco with their money or their health. Let SB 2281 encourage cessation while promoting prevention. Today, TFND encourages progress over perfection.

Again, thank you for this time in front of you, Chairman Headland, and the Committee. It is very appreciated. Please vote Do Pass on SB 2281.

May I answer any questions at this time?

Heather Austin  
Executive Director, Tobacco Free North Dakota  
Cell: 701-527-2811  
[heather@tfnd.org](mailto:heather@tfnd.org)  
[www.tfnd.org](http://www.tfnd.org)

---

<sup>1</sup> [https://www.tobaccofreekids.org/problem/toll-us/north\\_dakota](https://www.tobaccofreekids.org/problem/toll-us/north_dakota)

**House Finance and Taxation Public Hearing Committee**  
**March 11th, 2025 HB 2281**  
**Testimony in Support**

---

Dear Chair Headland and Members of the House Finance and Taxation Committee,

I urge a "Do Pass" on HB 2281.

Had I known the bill was a way to help fund our 988 services, I would have submitted testimony when it was heard in the Senate. However, since I am a chamber late to this hearing, I am graced with the perspective of many people across our state and nationally for why they would or wouldn't like this.

It seems like a simple problem and a matter of cost. How comfortable is North Dakota in continuing to subsidize the life of our youth for the profits of tobacco? According to YRBS data found in the [State of the State Report](#), 17.5% of our youth consider suicide. And looking at smoking, we see 8.9% of youth have tried by middle school. By highschool it goes up to 20%.

Keep in mind that while these numbers are thankfully far from a majority, our total student population measures over 100,000 kids. These numbers represent tens of thousands of our youth. And while those are for just suicide ideation and smoking once, there are students who do attempt suicide or chronically smoke and they too measure in the thousands.

Our kids need help. They desperately need help. I don't know how long I can say this. I don't know who I need to talk to about this. I have been trying for so long to make any headway anywhere. And if nothing else, this bill does feel like a move in the right direction. Please give it a "do pass".

Thank you for your time, consideration, and service to our state,  
Faye Seidler



## Cigarette Tax Increases That Deliver: \$1.00 or More Per Pack are Needed to Ensure a Public Health Impact

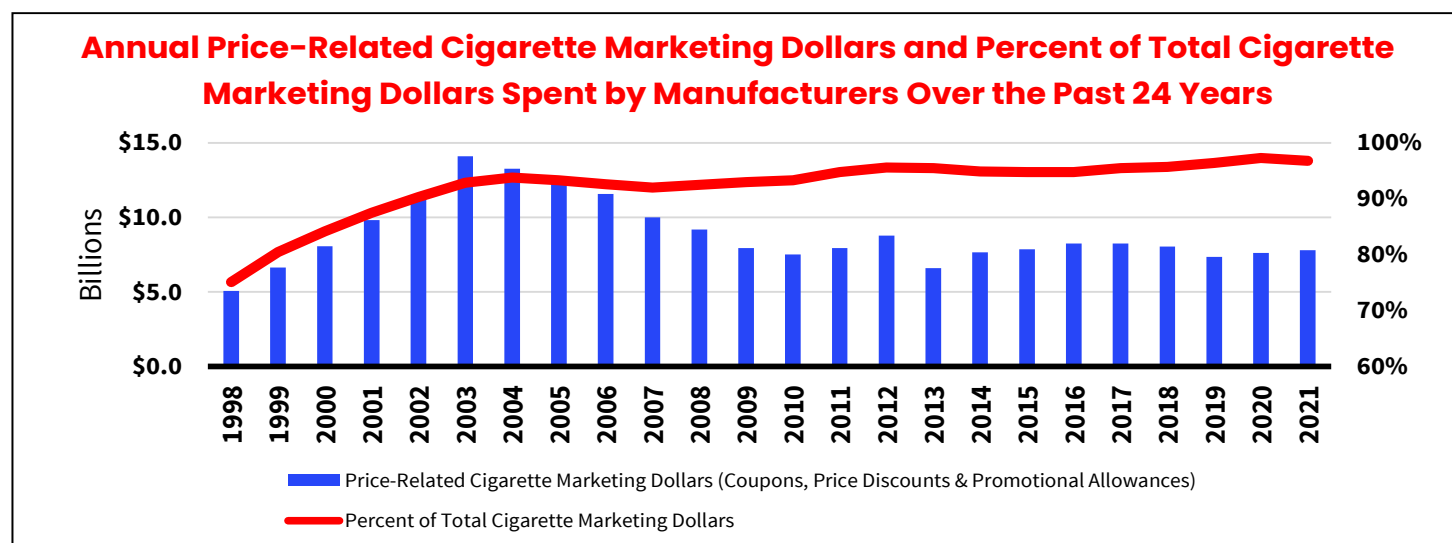
The American Cancer Society Cancer Action Network (ACS CAN) supports a comprehensive approach to tobacco control that includes significantly increasing excise taxes on all forms of tobacco. Regular, significant excise tax increases of \$1.00 or more per pack of cigarettes are one of the most effective ways to prevent kids from starting to use cigarettes and to help adults quit. Tobacco excise taxes can also reduce tobacco-related health disparities among people with limited incomes, pregnant persons and among racial and ethnic populations.<sup>i,ii,iii</sup>

## To Discourage Cigarette Use Excise Tax Increases Must be High Enough to Impact Price

In order for cigarette excise tax increases to help people quit and prevent youth from ever starting the increases must be large enough to significantly impact the price of cigarettes for consumers. While cigarette excise tax increases of smaller amounts may generate small amounts of additional revenue, they fail to significantly reduce tobacco use.

## The Tobacco Industry Uses Coupons and Discounts to Actively Undermines Excise Tax Increases

The goal of tobacco companies is to protect profits by getting and keeping people addicted to tobacco.<sup>iv</sup> Significant increases to cigarette excise taxes run counter to this goal. Therefore, when cigarette excise taxes are increased, major tobacco companies flood the market with coupons and discounts, such as “buy-one-get-one-free” offers, to keep the overall cost of tobacco products low discourage consumers from quitting. In fact, the tobacco industry now spends most of its marketing dollars on price-reducing tactics known to be most appealing to individuals with limited-income and other price-sensitive individuals, like kids.<sup>v</sup>



American Cancer Society Cancer Action Network | 655 15th Street, NW, Suite 503 | Washington, DC 20005

 @ACSCAN |  @ACSCAN | [fightcancer.org](https://fightcancer.org)

Significant excise tax increases of at least \$1.00 or more per pack of cigarettes are needed to prevent these price-reducing tactics and achieve the public health goal of reducing tobacco use. Cigarette excise tax increases of less than \$1.00 per pack allow the industry to easily offset any price hikes with coupons, discounts, and other price-lowering sales promotions.

In the last 24 years, the percent of total cigarette marketing dollars spent by the industry on all its price-reducing tactics has grown significantly. In fact, in 2021 the two largest spending categories for cigarette marketing were retail and wholesale price discounts – despite the total number of cigarettes sold reducing by 6.7% in 2021 from 2020. Payments to retailers and wholesalers for price discounts and promotional allowances combined totaled \$7.65 billion, or 94.9% of all cigarette marketing dollars in 2021.<sup>vi</sup> Tobacco manufacturers continue to rely heavily on price-reducing tactics to not only undermine tobacco excise tax increases, but research has shown these strategies also encourage smoking initiation and hinder smoking cessation attempts.<sup>vii,viii</sup>



## ACS CAN's Position

Increases in cigarette excise taxes of at least \$1.00 per pack will ensure a public health impact of reducing tobacco use is achieved, despite industry attempts to offset price increases and keep prices low. Increases higher than \$1.00 per pack can deliver health and revenue benefits for the state. ACS CAN recommends directing new tobacco excise tax revenues to fund fact-based tobacco prevention and cessation programs to further amplify the public health benefits of the excise tax increase. Lastly, there should be tax parity for all tobacco products, including e-cigarettes, pipe tobacco, cigars, snus, hookah and all other smokeless tobacco products.

<sup>i</sup> The Community Guide. Tobacco Use: Interventions to Increase the Unit Price for Tobacco Products. November 2012. Retrieved from <https://www.thecommunityguide.org/findings/tobacco-use-interventions-increase-unit-price-tobacco>.

<sup>ii</sup> Centers for Disease Control and Prevention (CDC). Response to increases in cigarette prices by race/ethnicity, income, and age groups--United States, 1976-1993. *MMWR Morb Mortal Wkly Rep*. 1998 Jul 31;47(29):605-9. PMID: 9699809.

<sup>iii</sup> Ringel, J.S., and Evans, W. "Cigarette Taxes and Smoking During Pregnancy," *Am J Public Health*, 2001 November; 91(11): 1851-1856. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446890/>.

<sup>iv</sup> For a review of how tobacco companies view the corporate impact of cigarette tax increases, see: Campaign for Tobacco-Free Kids: "Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (and the Cigarette Companies Know it)." Updated March 15, 2021. <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>.

<sup>v</sup> Regarding the effect of price discounts on population segments, see: Xu, X., Wang, X., Caraballo, R. "Is Every Smoker Interested in Price Promotions? An Evaluation of Price-Related Discounts by Cigarette Brands," *J Public Health Management Practice*, 2016, 22(1), 20-28.

<sup>vi</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2021, January 2023, [https://www.ftc.gov/system/files/ftc\\_gov/pdf/p114508cigarettereport2021.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/p114508cigarettereport2021.pdf) [data for top 4 manufacturers only: Altria Group, Inc.; ITG Holdings USA Inc.; Reynolds American, Inc.; and Vector Group Ltd.].

<sup>vii</sup> Wang Y, Duan Z, Weaver SR, Self-Brown SR, Ashley DL, Emery SL, Huang J. The Short-Term and Long-Term Associations Between Receiving Tobacco Discounts or Coupons and Smoking Cessation Among U.S. Adult Cigarette Smokers With Intention to Quit. *Nicotine Tob Res*. 2023 Mar 22;25(4):699-708. doi: 10.1093/ntr/ntac216. PMID: 36124654; PMCID: PMC10032185.

<sup>viii</sup> Liber AC, Sánchez-Romero LM, Cadham CJ, Yuan Z, Li Y, Oh H, Cook S, Warner KE, Henriksen L, Mistry R, Meza R, Fleischer NL, Levy DT. Tobacco Couponing: A Systematic Review of Exposures and Effects on Tobacco Initiation and Cessation. *Nicotine Tob Res*. 2022 Oct 17;24(10):1523-1533. doi: 10.1093/ntr/ntac037. PMID: 35143678; PMCID: PMC9575981.

American Cancer Society Cancer Action Network | 655 15th Street, NW, Suite 503 | Washington, DC 20005

@ACSCAN | @ACSCAN | [fightcancer.org](https://fightcancer.org)

Updated 7.07.23

# Tobacco Surveillance Data

Indicator	2018	2019	2020	2021	2022	2023
<b>Tobacco Use (Used at least once in past 30 days)</b>						
<b>Cigarette Smoking</b>						
Adult (BRFSS*) <sup>1</sup>	19.1	17.0	17.4	15.0	15.1	13.4
High School (YRBS) <sup>1</sup>		8.3		5.9		5.4
American Indian <sup>2</sup>	43.7	35.1	36.1	35.8	35.8	32.4
Pregnant Women <sup>3</sup>	11.0	10.3	9.7	8.5	7.3	6.7
Low Income <sup>4</sup>	34.7	30.6	31.2	29.7	26.7	23.5
Low Education <sup>5</sup>	33.5	27.7	39.2	36.0	32.2	36.9
<b>Smokeless Tobacco<sup>6</sup></b>						
Adult Males (BRFSS*)	12.0	11.8	11.1	10.9	12.0	10.2
High School Males (YRBS)		7.5		7.5		5.5
<b>Cigars<sup>7</sup></b>						
Adult (ATS)		4.3			3.4	
High School (YRBS)		5.2		2.8		4.2
<b>E-Cigarettes<sup>8</sup></b>						
Adult (ATS)		5.2			8.6	
Adult (BRFSS*)	5.8		3.9	7.4	9.0	9.3
High School (YTS)		29.4				
High School (YRBS)		33.1		21.2		18.2
<b>Any Tobacco Product<sup>9</sup></b>						
Adult (BRFSS*)	25.5		22.9	22.7	24.9	
High School (YRBS)		34.7		23.0		19.6
<b>Tobacco Use Initiation</b>						
Adult - Ever tried electronic cigarettes <sup>10</sup>	27.2		25.1	26.9	28.6	27.3
High School - Ever tried electronic cigarettes <sup>10</sup>		52.8		38.6		31.6
High School cigarette use before age 13 <sup>11</sup>		40.7				
High School smokeless tobacco use before age 13 <sup>12</sup>		27.1				
<b>Tobacco Consumption</b>						
Cigarettes Sold - in millions (ND Tax Commission)	936	890	885	843	763	695
Annual Cigarette Tax Revenue - in millions	20.6	19.6	19.5	18.5	16.8	15.3
Annual Other Tobacco Tax Revenue - in millions	7.1	7.1	6.9	6.9	6.7	6.8
<b>Cessation</b>						
<b>Cigarette Smoking Quit Attempts</b>						
Adult (BRFSS*)	54.0	55.1	50.0	53.1	46.2	
High School (YRBS)		54.0		30.9		37.2
NDQuits - Total Enrolled <sup>13</sup>	3,401	3,029	2,533	1,976	1,741	1,711
NDQuits - Quit Rate <sup>14</sup>			28.7†	32.8†	33.1†	35.8†
<b>Tobacco-related Policy</b>						
Support increasing cigarette tax to \$2.00 <sup>15</sup>		56.7			54.4	
<b>Health and Economic Consequences</b>						
Deaths Attributed to Tobacco Use <sup>16</sup>						1,000
Deaths Attributed to Secondhand Smoke <sup>17</sup>						80 - 140
Smoking Attributable Medical Expenditures - in millions <sup>18</sup>						379
Smoking Attributable Productivity Loss - in millions <sup>19</sup>						715



STATE EXCISE TAX RATES FOR NON-CIGARETTE TOBACCO PRODUCTS

Every state has at least some tax on non-cigarette tobacco products. FL and PA do not tax cigars, but do tax other tobacco products (OTP). Although not listed below, some localities have a tax on OTP in addition to the state tax. Some of the highest rates for moist snuff, as a percentage of wholesale/manufacturer’s price, are in MA (210%), WI (100%), MN (95%), and FL (85%). Of those states that tax OTP at a percentage of price, the average rate is roughly 47.4%. Some of the states with the lowest percentage of price OTP taxes have high rates of smokeless use by high school boys, such as LA (9.6%), MS (9.0%) and WV (9.0%).<sup>1</sup> Nationwide, 3.3% of high school boys and 1.5% of girls use smokeless tobacco.<sup>2</sup> It is important to raise tax rates on all tobacco products to prevent initiation with or switching to lower-taxed and lower-priced tobacco products.

State	Snuff Tax <sup>3</sup>	Chewing & Other Smokeless Tobacco Tax	Smoking Tobacco (Roll-Your- Own, Pipe Tobacco) Tax	Cigar Tax <sup>4</sup>	E-Cigarette Tax	Date OTP tax last changed	Cigarette Tax (¢/pack)	Parallel Tax (% w/s price)
Alabama	1.0-12.0¢/oz.	1.5¢/oz.	4-6¢/oz.	4.0-40.5¢/10 cigars		5/18/2004	67.5	11%
Alaska	75% wholesale price	75% wholesale price				10/1/1997	200	31%
Arizona	22.25¢/oz.	5.45-22.25¢/oz.	22.25¢/oz	22.05-218¢/10 cigars		12/8/2006	200	31%
Arkansas	68% manufacturer's price			68% mfr. price, 50¢ cap		3/1/2009	115	18%
California <sup>5</sup>	52.92% wholesale price				52.92% wholesale price + 12.5% sales price	7/1/2024	287	44%
Colorado <sup>6</sup>	56% mfr. price (with \$1.48 min tax)	56% manufacturer's price				7/1/2024	224	34%
Connecticut	300¢/oz.	50% wholesale price		50% wholesale price, 50¢ cap; LC	Closed system: 40¢/mL Open: 10% w/s price	10/1/2019	435	66%
Delaware	92¢/oz.	30% wholesale price		30% wholesale price	5¢/mL	1/1/2018	210	32%
DC <sup>7</sup>	79% wholesale price			79% wholesale price (cigars<\$2 only); LC	79% wholesale price	10/1/2022	450	68%
Florida	85% wholesale price			None		7/1/2009	133.9	21%
Georgia	10% wholesale price			Little cigars: 2.5¢/10 cigars; others: 23% w/s price	Closed system: 5¢/mL Open & disposables: 7% w/s price	1/1/2021	37	6%
Hawaii	70% wholesale price			50% wholesale price; LC	70% wholesale price	1/1/2024	320	49%
Idaho	40% wholesale price					7/1/1994	57	9%
Illinois	30¢/oz.	36% wholesale price		36% wholesale price; LC	15% wholesale price	7/1/2019	298	45%

<sup>1</sup> CDC, Youth Risk Behavior Surveillance (YRBS), 2021.  
<sup>2</sup> CDC, Youth Risk Behavior Surveillance (YRBS), 2021. Data from the 2021 National Youth Tobacco Survey (NYTS), using a different methodology from the YRBS, found that 1.7% of high school boys use smokeless tobacco (<https://www.cdc.gov/mmwr/volumes/71/ss/pdfs/ss7105a1-H.pdf>).  
<sup>3</sup> Each state that has a separate “snuff” definition defines it differently, but it is usually defined as any powdered, finely cut, or ground tobacco that is not intended to be smoked.  
<sup>4</sup> “LC” indicates that the state has specified that little cigars, however defined by the state, are taxed at the same rate as cigarettes.  
<sup>5</sup> California’s other tobacco product tax is based on the state’s cigarette tax rate and is adjusted on July 1 every year.  
<sup>6</sup> Colorado’s tobacco and nicotine product tax rates increase every 3 years until 2027.  
<sup>7</sup> Washington, DC’s other tobacco product tax is based on the District’s cigarette tax rate and is adjusted on October 1 every year.

State	Snuff Tax <sup>3</sup>	Chewing & Other Smokeless Tobacco Tax	Smoking Tobacco (Roll-Your- Own, Pipe Tobacco) Tax	Cigar Tax <sup>4</sup>	E-Cigarette Tax	Date OTP tax last changed	Cigarette Tax (¢/pack)	Parallel Tax (% w/s price)
Indiana	40¢/oz.	24% wholesale price; ANP <sup>8</sup> : 40¢/oz.	24% wholesale price	24% wholesale price, \$1 cap	Closed system: 15% w/s price Open: 15% gross retail income	1/1/2024	99.5	15%
Iowa	119¢/oz.	50% wholesale price		50% w/s price, 50¢ cap; LC		3/16/2007	136	21%
Kansas	10% wholesale price				5¢/mL	7/1/2017	129	20%
Kentucky	19¢/unit <sup>9</sup>	15% wholesale price			Closed system: \$1.50/cartridge Open: 15% w/s price	8/1/2020	110	17%
Louisiana	20% mfr. price		33% manufacturer's price	8%-20% mfr. price	15¢/mL	7/1/2023	108	17%
Maine	202¢/oz. (with min. tax)	202¢/oz.	43% wholesale price			1/2/2020	200	31%
Maryland	60% wholesale price		30% wholesale price	Non-premium: 70% w/s price; Premium: 15% w/s price	≤5mL: 60% retail price others: 20% retail price	7/1/2024	500	76%
Massachusetts	210% wholesale price		40% wholesale price	40% wholesale price; LC	75% wholesale price	6/1/2020	351	53%
Michigan	32% wholesale price			32% wholesale price; 50¢ cap		11/1/2012	200	31%
Minnesota	95% wholesale price (with \$3.04 min. tax)	95% wholesale price		95% wholesale price; 50¢ premium cigar cap; LC	95% wholesale price	7/1/2013	304	46%
Mississippi	15% manufacturer's price					6/1/2005	68 <sup>10</sup>	11%
Missouri	10% manufacturer's price					10/1/1993	17	3%
Montana	85¢/oz.	50% wholesale price		50% wholesale price; LC		1/1/2005	170	26%
Nebraska	44¢/oz.	20% wholesale price		20% wholesale price	≤5mL: 5¢/mL >5mL: 10% purchase price	1/1/2024	64	10%
Nevada	30% wholesale price					1/1/2020	180	28%
New Hampshire	65.03% wholesale price			65.03% w/s price (not premium); LC	Closed system: 30¢/mL Open: 8% w/s price	1/1/2020	178	27%
New Jersey	75¢/oz.	30% wholesale price			Liquid nicotine: 10¢/mL; Container e-liquid: 10% retail price	11/1/2019	270	41%
New Mexico	25% manufacturer's price			25% mfr. price; 50¢ cap; LC	Closed system: 50¢/cartridge Open: 12.5% mfr. price	7/1/2019	200	31%
New York	200¢/oz. (with min. tax)	75% wholesale price		Little cigars: \$5.35/20-pack; 75% wholesale price	20% retail price	12/1/2019	535	81%
North Carolina	12.8% wholesale price				5¢/mL	6/1/2015	45	7%
North Dakota	60¢/oz.	16¢/oz	RYO: 44¢/1.8 oz. Pipe: 28% w/s price	28% wholesale price		7/1/2001	44	7%
Ohio	17% wholesale price			Little cigars: 37% w/s price; others: 17% w/s price	10¢/mL	10/1/2019	160	25%
Oklahoma	60% manufacturer's price		80% manufacturer's price	3.6-120¢/10 cigars; LC		1/1/2005	203	31%
Oregon	186¢/oz. (with min. tax) <sup>11</sup>	65% wholesale price		65% wholesale price, \$1 cap; LC	65% wholesale price	7/1/2024	333	50%
Pennsylvania	55¢/oz			LC	40% wholesale price	10/1/2016	260	40%

<sup>8</sup> ANP = “alternative nicotine products.”  
<sup>9</sup> Moist snuff only. A unit is defined as a container less than 1.5oz. Dry snuff is taxed at the same rate as chewing tobacco.  
<sup>10</sup> Heated tobacco products taxed at 25¢ per 20-pack of consumables (i.e., stick).  
<sup>11</sup> Moist snuff tax (including minimum tax) is adjusted for inflation every biennium starting July 1, 2022.

State	Snuff Tax <sup>3</sup>	Chewing & Other Smokeless Tobacco Tax	Smoking Tobacco (Roll-Your- Own, Pipe Tobacco) Tax	Cigar Tax <sup>4</sup>	E-Cigarette Tax	Date OTP tax last changed	Cigarette Tax (¢/pack)	Parallel Tax (% w/s price)
Rhode Island	100¢/oz.	80% wholesale price		80% w/s price, 50¢ cap; LC		4/10/2009	425	64%
South Carolina	5% manufacturer's price						57	9%
South Dakota	35% wholesale price					1/1/2007	153	23%
Tennessee	6.6% wholesale price			6.6% wholesale price; LC		7/15/2002	62	10%
Texas	122¢/oz. (with min. tax)			1-15¢/10 cigars		9/1/2013	141	22%
Utah	183¢/oz.	86% mfr. price; ANP: 183¢/oz	86% manufacturer's price	86% manufacturer's price; LC	56% manufacturer's price <sup>12</sup>	7/1/2021	170	26%
Vermont	257¢/oz. or 308¢/pack if less than 1.2oz.	92% wholesale price		92% w/s price for <\$2.17; \$2 per cigar for >\$2.17 to <\$10; \$4 per cigar for ≥ \$10; LC	92% wholesale price	7/1/2019	308	47%
Virginia	36¢/oz.	Chewing: 42¢-140¢/unit; Other: 20% mfr price	10% manufacturer's price	20% manufacturer's price	11¢/mL	7/1/2024	60 <sup>13</sup>	10%
Washington	252.6¢ per 1.2oz. min.	95% taxable sales price		95% taxable sales price, 65¢ cap; LC	≤5mL container: 27¢/mL >5mL container: 9¢/mL	10/1/2019	302.5	46%
West Virginia	12% wholesale price				7.5¢/mL	7/1/2016	120	19%
Wisconsin	100% mfr. price	71% manufacturer's price		71% mfr. price, 50¢ cap	5¢/mL <sup>14</sup>	10/1/2019	252	38%
Wyoming	60¢/oz. (with min. tax)	20% wholesale price			15% wholesale price	7/1/2020	60	10%
US Government	9.4¢/oz.	3.1¢/oz.	RYO: 155¢/oz. Pipe: 17.7¢/oz.	LC; large cigars: 52.75% mfr. price, 40.26¢ cap		4/1/2009	100.66	16%

Campaign for Tobacco-Free Kids, September 11, 2024 / Ann Boonn

**Manufacturer's (Mfr.) Price** is the price charged to wholesalers/distributors by the tobacco company that makes the product. **Wholesale (w/s) Price** is either the price charged to retailers by the wholesalers/distributors or, in some states, equal to the Manufacturer's Price. **Parallel tax rate** is based on the cigarette tax and the taxable wholesale price of cigarettes versus other tobacco products.

**Sources:** Orzechowski & Walker, *The Tax Burden on Tobacco*, 2023; press reports; state tax officials; U.S. Alcohol and Tobacco Tax and Trade Bureau; USDA Economic Research Service.

More information on other tobacco product taxes is available at <https://tobaccofreekids.org/fact-sheets/tobacco-control-policies/taxes-on-other-tobacco-products>.

<sup>12</sup> Tax on “nontherapeutic nicotine device substance” and “prefilled nontherapeutic nicotine device” at 56% mfr. price.

<sup>13</sup> Tax on heated cigarettes at 45¢/20-pack; tax on heated tobacco products at 20% of the wholesale price.

<sup>14</sup> Based on a July 2020 Wisconsin Supreme Court ruling, the vapor products tax only applies to disposables and devices, not separately sold e-liquids. Wisconsin Department of Revenue, “Vapor Products Tax,” Guidance Document Number: 100002, July 22, 2020, <https://www.revenue.wi.gov/Pages/FAQS/ise-vape.aspx?vap17>.

# Zyn and Nicotine Pouches: What Local Tobacco Officials Need to Know

NACCHO  
Truth Initiative

For audio, please call (1) 301 715 8592 (Washington, D.C.)

Webinar ID: 818 8117 1373



# Housekeeping

- All participants are in listen-only mode
- Please enter any questions in the Q&A
- This webinar is being recorded, and the recording and slides will be sent out post webinar
- If you are having technical or audio issues, please use the chat box to reach out to myself or Stephanie Weiss

# Agenda

Welcome

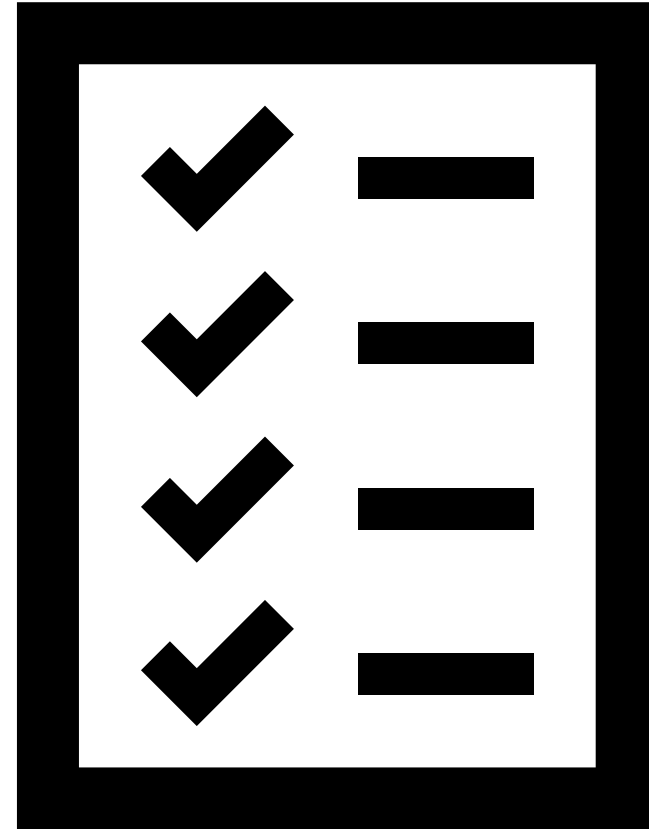
Dan Hamilton, NACCHO

Megan Diaz & Andrew Seidenberg – Truth Initiative

Q&A

# Tobacco Community of Practice

- The Tobacco Community of Practice provides a space for those interested working in tobacco control and prevention to connect and share ideas, resources, and best practices
- [Virtual Communities Page](#)
- [Sign up for our newsletter](#)



# Learning Objectives

1. Receive a high-level introduction of Zyn and nicotine pouches and their health effects
2. Take a retrospective look at how Zyn and nicotine pouches grew on the market
3. Understand how Zyn and other nicotine pouch products are regulated

# Speakers



Megan Diaz, PhD



Andrew Seidenberg, PhD,  
MPH

# A Deep Dive into Nicotine Pouches: What They Are & Why We Should Care?

December 9, 2024

Andrew B. Seidenberg, PhD, MPH

Megan C. Diaz, PhD



# Disclosure

---

- The data presented are for information purposes only. Don't hesitate to contact us with questions.
- The conclusions drawn from the NielsenIQ data are those of the researcher(s) and do not reflect the views of NielsenIQ. NielsenIQ is not responsible for, had no role in, and was not involved in analyzing and preparing the results reported.
- We have no conflicts of interest to declare.



# What is a Nicotine Pouch?

Pouch filled with nicotine powder

No tobacco leaf

Ingredients typically include:

- Nicotine
- Sweeteners/flavors
- pH stabilizers
- Fillers (cellulose/plant material)

To use, the pouch is placed between the top lip and gum

Usually, no spitting



# Types of Oral Tobacco Products

---



Moist snuff/dip



Snus



Chewing tobacco



Nicotine pouches

# Pouched Products

---



**Moist Snuff/Dip**



**Snus**



**Nicotine Pouch**

# Flavors

# Nicotine Pouch Flavors

## Mint Flavors



## Fruit Flavors



# Nicotine Pouch Flavors

## Coffee Flavors



## Cinnamon Flavors





# Nicotine Pouch Flavors

## Ambiguous/Concept Flavors



## Tobacco Flavors





# Nicotine in Nicotine Pouches

# Nicotine - Sources

---



Tobacco plant



Other nightshade  
plants



Synthetic nicotine

# What Type of Nicotine is in Nicotine Pouches?



Some brands are made with **tobacco-derived nicotine**

Some brands are made with **synthetic nicotine**

Despite not being made with tobacco, **nicotine pouches are regulated as tobacco products** in the US (regardless of nicotine source).

# Wide Range of Nicotine Levels

---

Stanfill *et al.* tested 37 nicotine pouch products sold in Atlanta (2019) and found:

- Total nicotine content ranged from 1.29 to 6.1 mg/pouch
- “...**nicotine and pH levels** found in some of these nicotine pouches are **similar to conventional tobacco products, such as moist snuff and snus...**”

Review by Travis *et al.* reported that higher level nicotine pouch strengths ( $\geq 6$  mg) “may **deliver comparable or higher nicotine than conventional SLT products and cigarettes.**” (some industry studies included)



2 mg/pouch



15 mg/pouch



21 mg/pouch

<https://pubmed.ncbi.nlm.nih.gov/34233354/>  
<https://pubmed.ncbi.nlm.nih.gov/38880491/>

# Nicotine Analogs

---

US

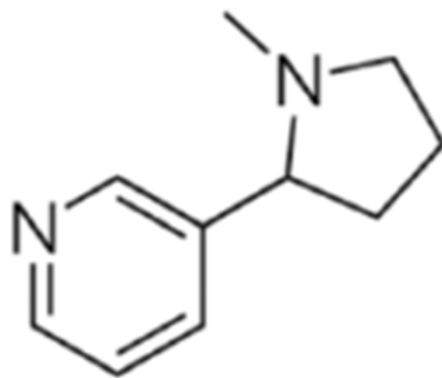
## **FDA warns that nicotine-like chemicals in vapes may be more potent than nicotine**

Synthetic substances are not regulated by US tobacco and vaping laws that control traditional nicotine

· Reuters

# Nicotine Analogs

---

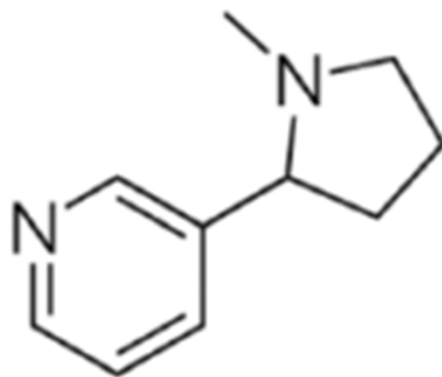


Nicotine

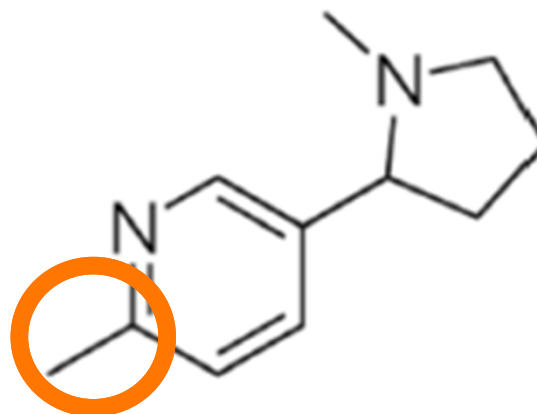


# Nicotine Analogs

---



Nicotine



6-methylnicotine

*\*One example of a nicotine analog*

# Pouches with Nicotine Analogs



**PMTA EXEMPT** **TOBACCO TAX EXEMPT**

## STR8UP™

Oral Novatine™ Pouches

**NO TOBACCO LICENSE REQUIRED**

- NOVATINE™ IS A COMPOUND SIMILAR TO TOBACCO & SYNTHETIC NICOTINE
- 8 AMAZING FLAVORS IN 4MG, 8MG, & 12MG STRENGTHS
- 100% BIODEGRADABLE POUCHES

**CALL FOR MORE INFO**  
\*818-564-6055  
SCAN FOR WEBSITE

[www.GetSTR8UP.com](http://www.GetSTR8UP.com)  
PRODUCT OF JUST GOOD VIBES LLC

# CA Updated Its Flavored Tobacco Law

---

“Nicotine” means any form of the chemical nicotine, including any salt or complex, regardless of whether the chemical is naturally or synthetically derived, ***and includes nicotinic alkaloids and nicotine analogs.***

# Health Effects

# Any Harmful Chemicals in Nicotine Pouches?

---

Mallock-Ohnesorg *et al.* tested 48 nicotine pouch products and found:

- 8 hazardous substances detected (European CLP regulation)
- 13 substances detected that are not authorized food flavorings by European regulators
- 3 possible carcinogens detected (methyl eugenol, benzophenone, and  $\beta$ -myrcene)

Mallock *et al.* tested 44 nicotine pouch products and found:

- TSNA (carcinogenic) detected in 26 products at very low levels

Generally, nicotine pouches contain fewer chemicals and lower levels of chemicals compared to cigarette smoke and smokeless tobacco

# Nicotine Pouch Potential Health Risks

---

Nicotine pouches deliver nicotine and use can lead to nicotine addiction

- Nicotine is harmful to developing brains
- Nicotine exposure can negatively affect the cardiovascular system
  - Especially in those with cardiovascular disease

Prolonged pouch use could lead to gum recession and oral lesions

**Long-term health risks not known**



# Case Report: Nicotine Toxicity

---

- 21-year-old student used 15 nicotine pouches over a 12-hour period as a study aid
- Taken to ER via ambulance
- Symptoms: Confused, nonsensical language, unable to sit in a chair, nausea, hypertension
- Treated and discharged within 24 hours

**“Repeated” use can lead to  
nicotine toxicity**

# Marketing

# Point of Sale



# Advertising Spending Data from Numerator

Duan *et al.* reported that between January 2019 – September 2021, 3 leading nicotine pouch brands spent \$24,774,650 on marketing

- Radio
  - TV
  - Mobile and online ads
  - Print
- Most ad \$ and occurrences**





# Event Marketing



# Zyn Rewards Program

---

## HOW IT WORKS

[Watch the Introductory Video](#)



### SCAN CODES

Using your phone, scan the QR code on the back of your can to receive your points. Enter up to 60 codes per month. Keep in mind codes are case-sensitive!



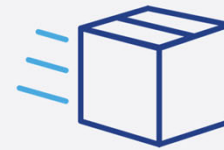
### COLLECT POINTS

Get 15 points for every reward code and look out for chances to earn bonus points.



### SHOP REWARDS

Browse more than 50 reward items and choose one to start saving for.



### ORDER, ENJOY

Use points to purchase rewards. Every order ships for free!

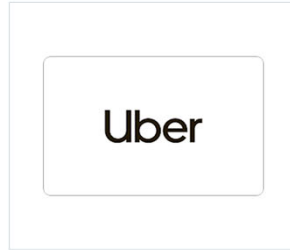


# Zyn Rewards Program

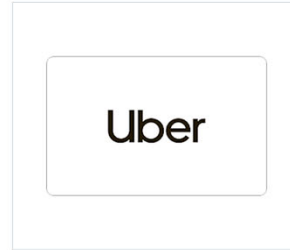
---



**CUISINART MINI-PREP  
FOOD PROCESSOR**  
1450 POINTS



**E-GIFT CARD: UBER \$50**  
1650 POINTS



**E-GIFT CARD: UBER \$25**  
925 POINTS

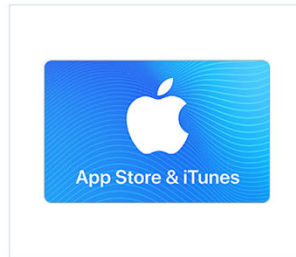


**SUNNY HEALTH WALK  
STATION SLIM FLAT  
TREADMILL**  
7560 POINTS

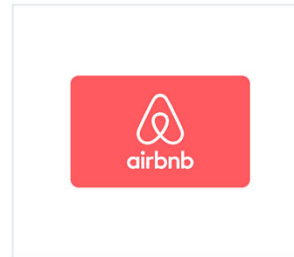
**614  
cans  
needed**



**APPLE WATCH SERIES 8**  
9200 POINTS



**E-GIFT CARD: APP STORE  
& ITUNES \$25**  
925 POINTS



**E-GIFT CARD: AIRBNB \$50**  
1650 POINTS



**PUR AND CALM  
MICROFIBER WEIGHTED  
BLANKET**  
2400 POINTS

# Zyn Rewards Program

---



**TORY BURCH PERRY TOTE**  
10030 POINTS



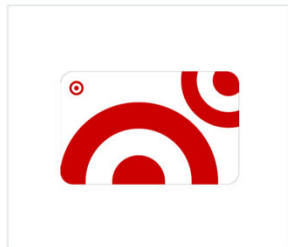
**SONOS BEAM SOUND SYSTEM**  
9000 POINTS



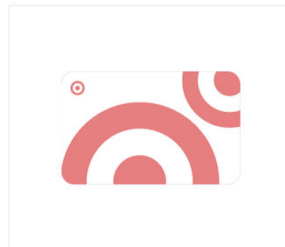
**GOPRO HERO11 BLACK MINI**  
7560 POINTS



**KATE SPADE BLACK NYLON BAND**  
2400 POINTS



**E-GIFT CARD: TARGET \$50**  
1650 POINTS



**E-GIFT CARD: TARGET \$25**  
925 POINTS

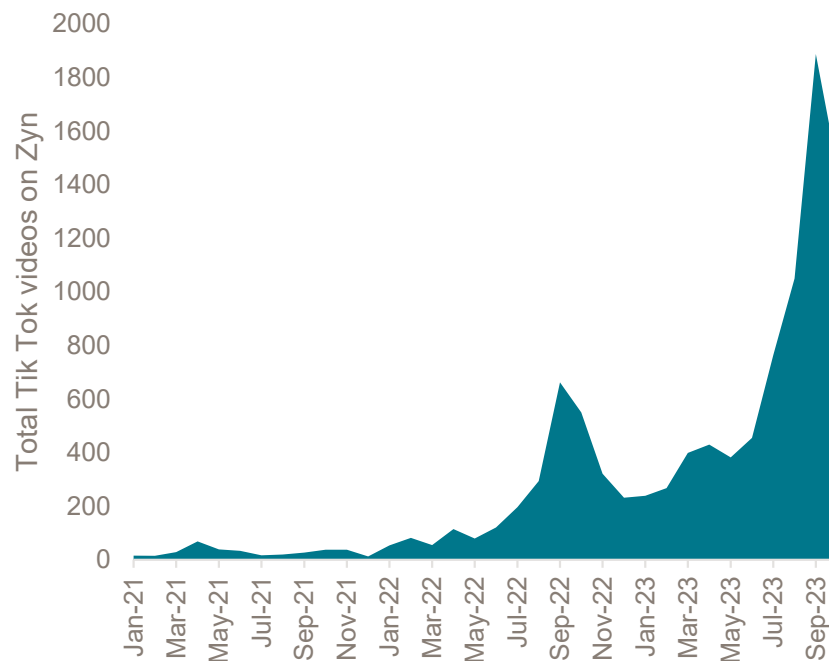


**LEATHERMAN WINGMAN**  
2340 POINTS



**PEAK SINGLE SPHERE ICE MOLD**  
840 POINTS

# Zyn sub-culture on TikTok



Find related content

Find related content

Report


When you ask your 21 yr old friend to get you zyns but he


Zynbabwe

A country almost like [Zimbabwe](#), except every man and child has a [pack](#) of zynachinos and an [upper decky lip pillow](#) at all times.

[Himmy Neutron packs](#) so many [upper decky](#) lip cushions, he must be from Zynbabwe

by [Ferda\\_Kanye](#) October 21, 2022





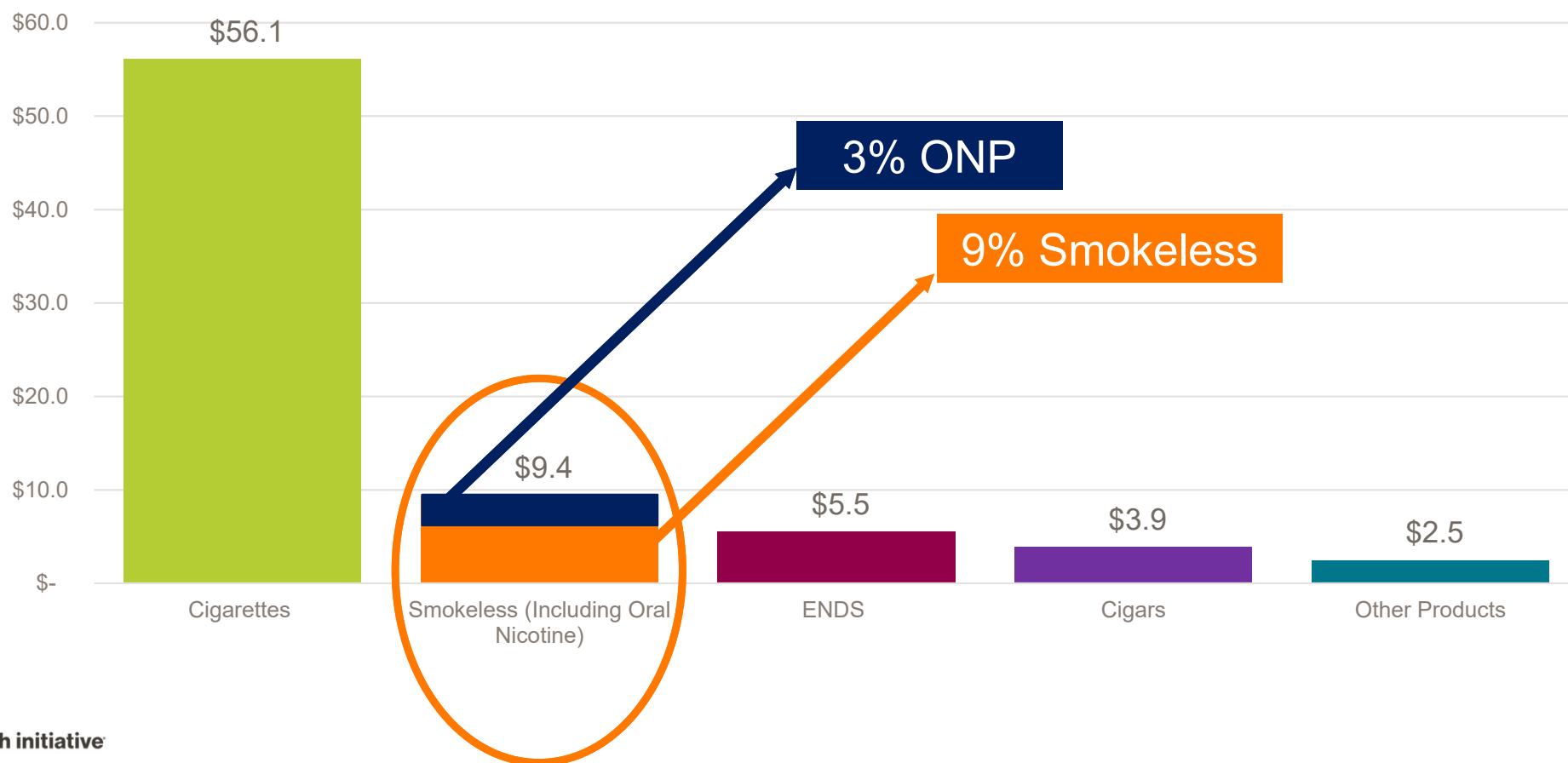
# Wear your identity

---



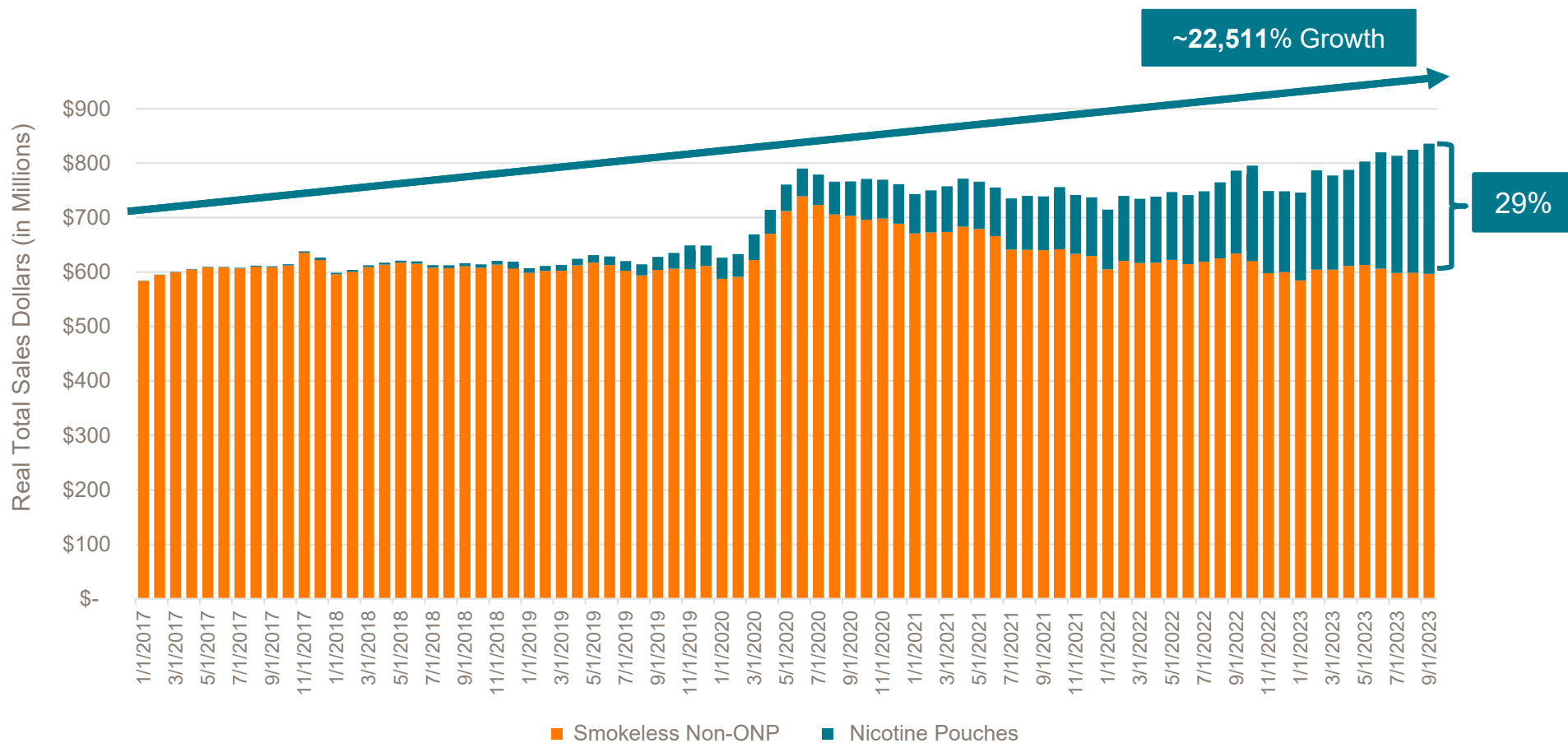
# Retail Sales Data: Smokeless Tobacco & Oral Nicotine Pouches

## Market share of smokeless tobacco/nicotine continues to increase, 2023

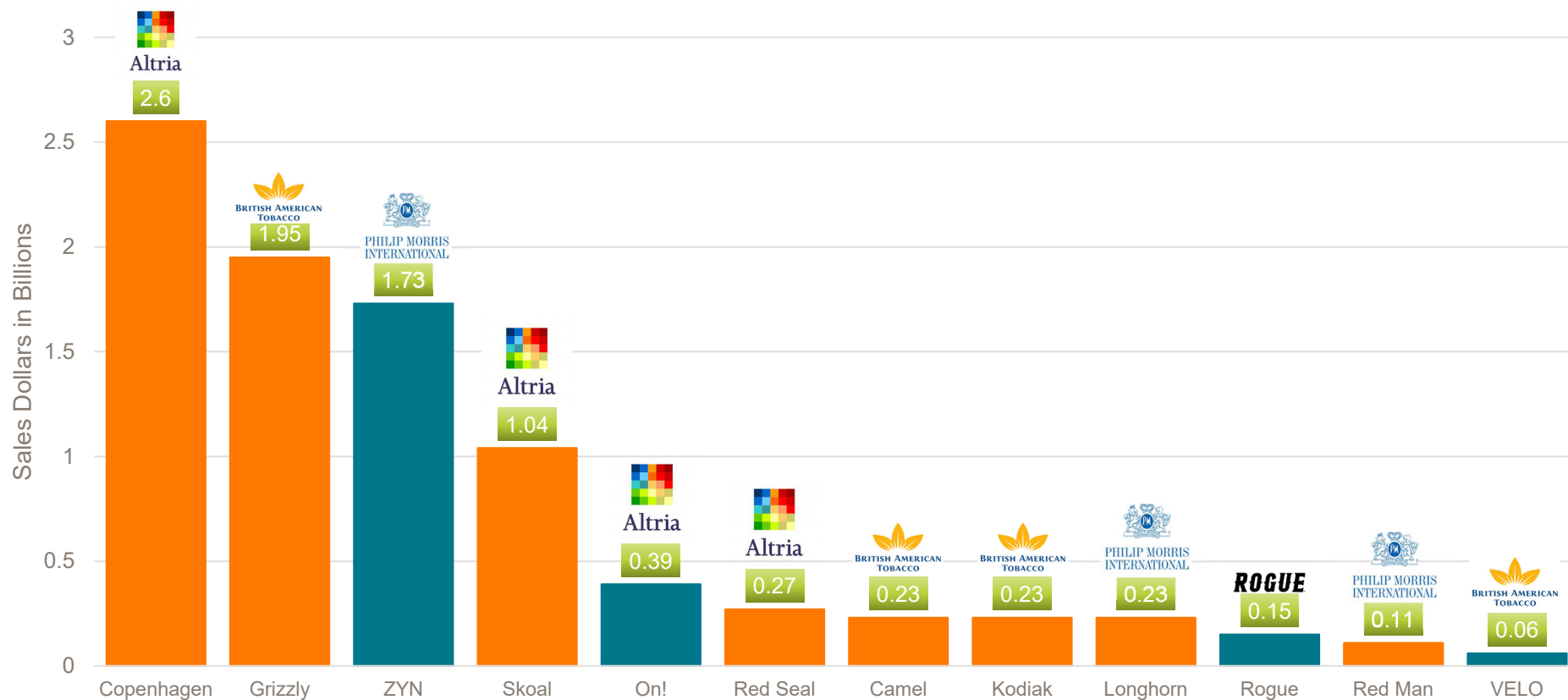




# Oral nicotine pouches have had explosive growth

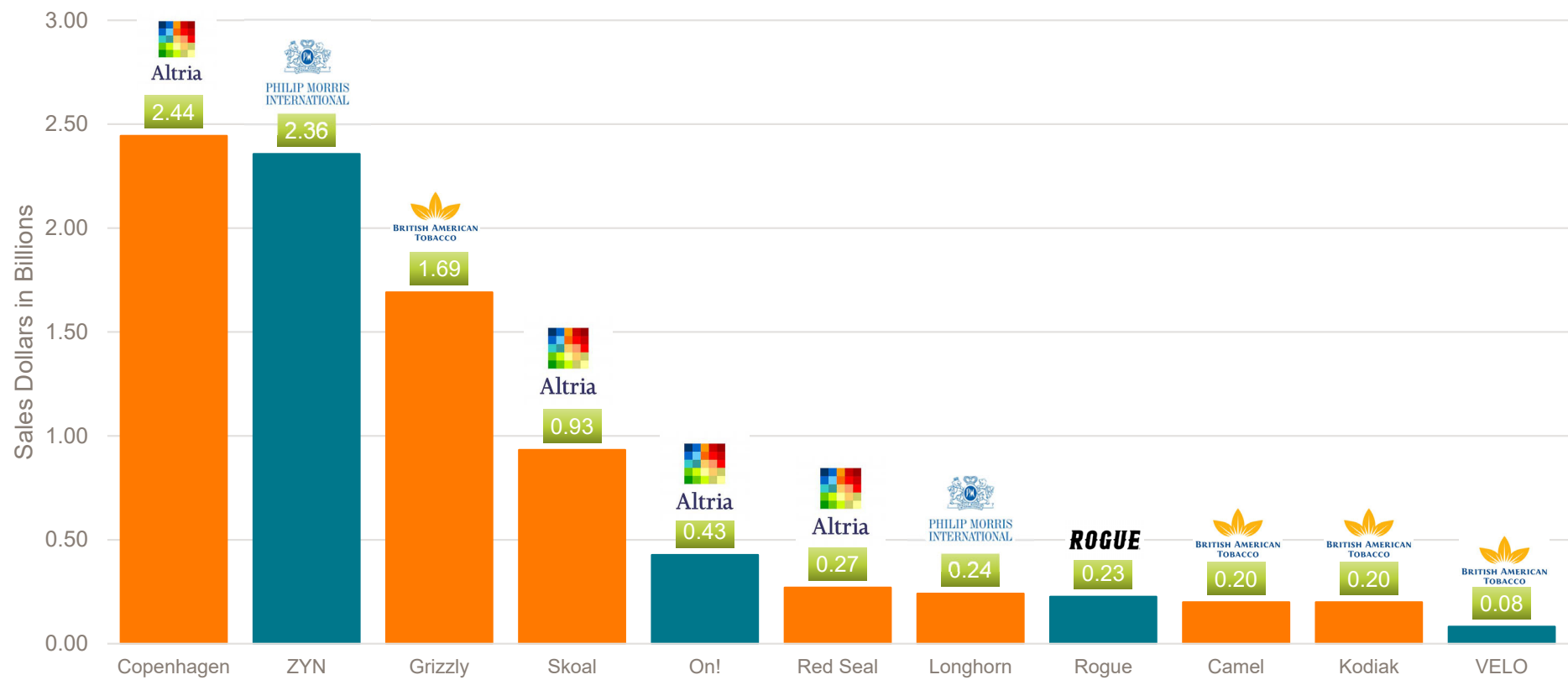


# Nicotine pouches gain market share – June 2023



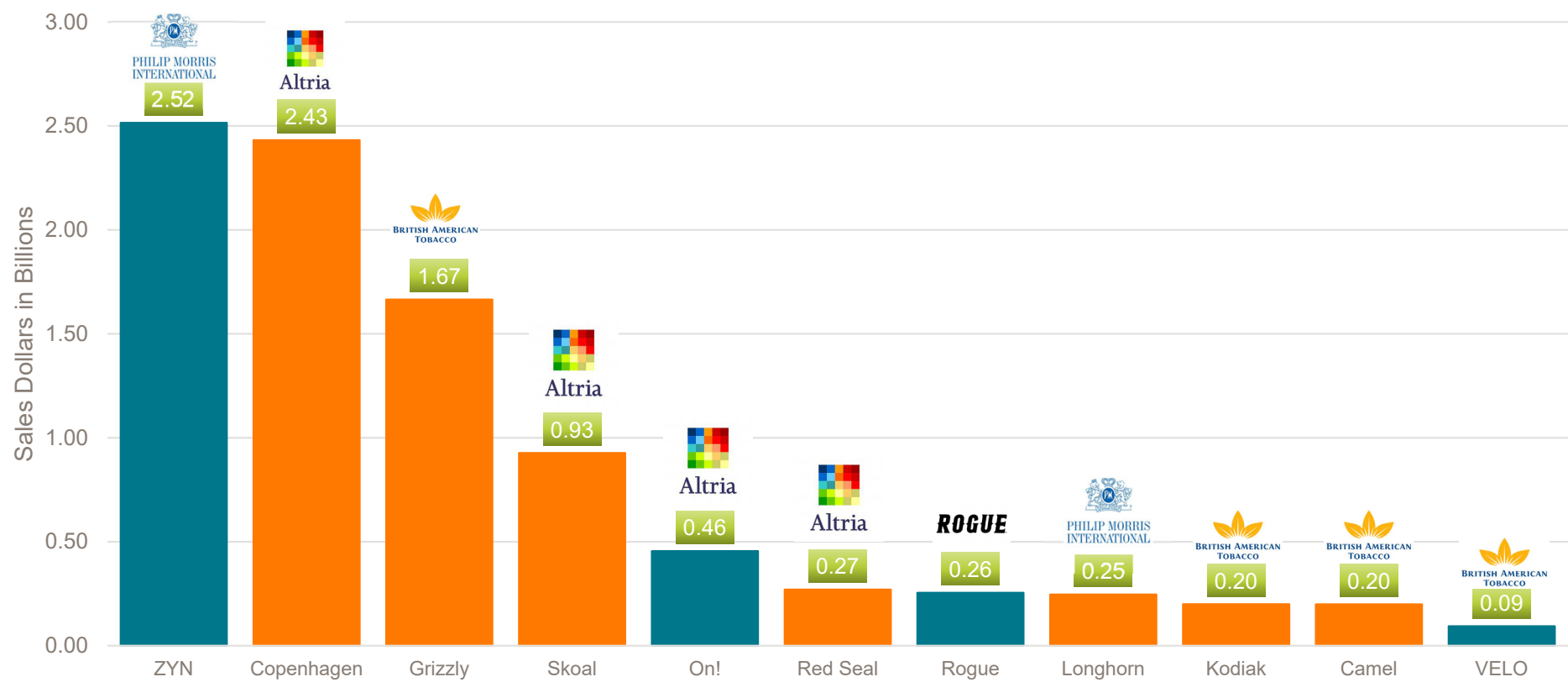
Herzog B. 2023. Americas Tobacco: NielsenIQ Data thru 7/29

# Nicotine pouches gain market share – September 2024



Source: Herzog B. 2024. Americas Tobacco; NielsenIQ Data thru 9/7/2024

# Nicotine pouches gain market share – November 2024



Source: Herzog B. 2024. Americas Tobacco; NielsenIQ Data thru 11/12/2024

# The Market Leaders in Oral Nicotine Pouches

---



76%



14%

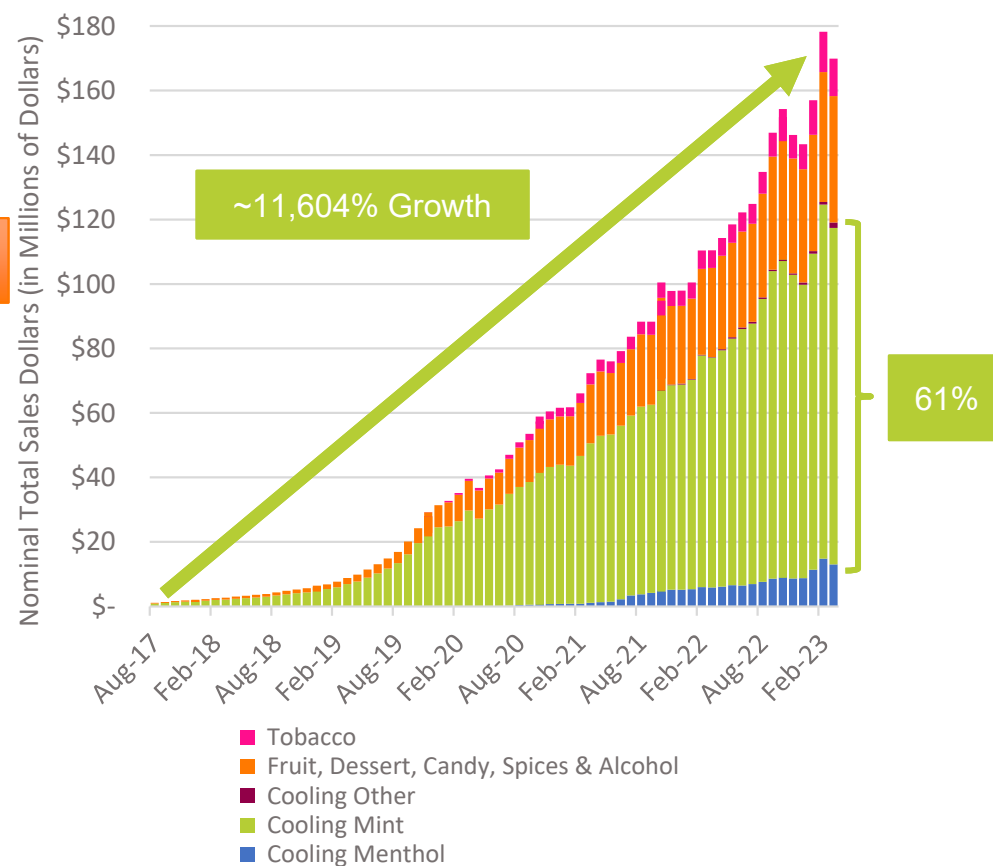
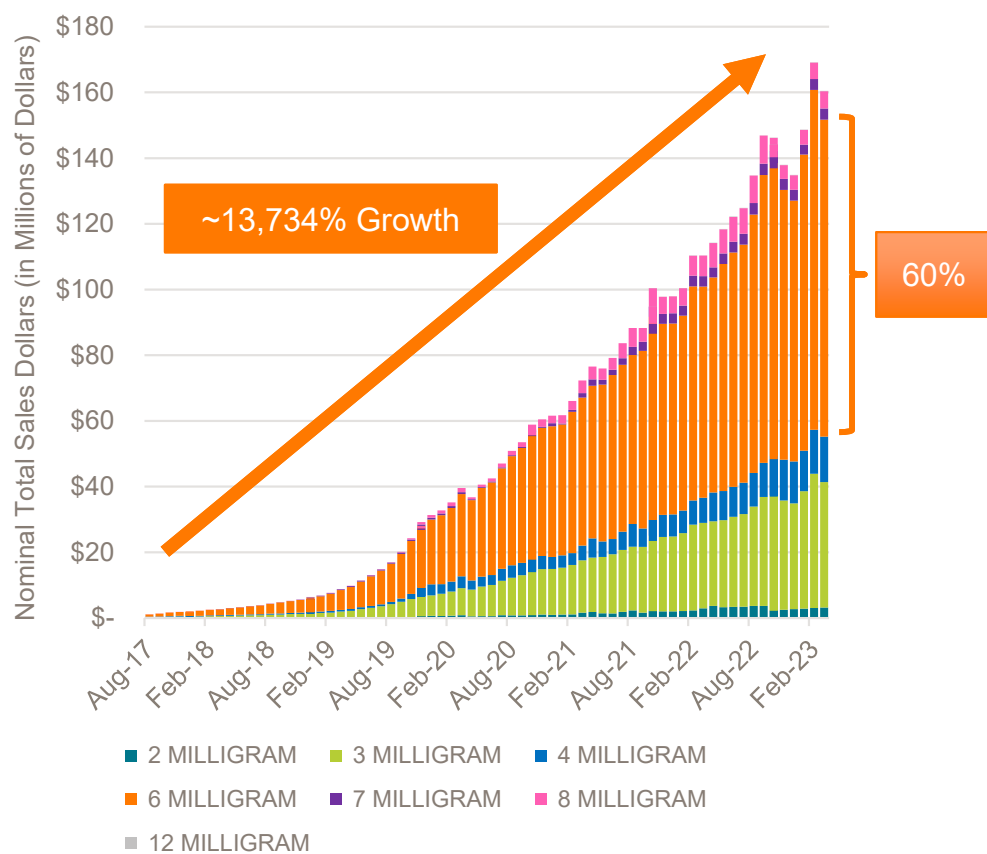


7%



3%

# Growth is driven by 6 milligram strength flavored like cooling mint





# ZYN's Timeline of Growth

# 2014-2015 Colorado Roll Out

*“It is therefore desirable to provide a nicotine product which rapidly delivers nicotine to the user and thereby provides the user with the desired effect. It is also desirable to provide a nicotine product which gives an almost complete delivery of the nicotine to the user to avoid unnecessary waste”*

**Zyn Patent Application, 2015**

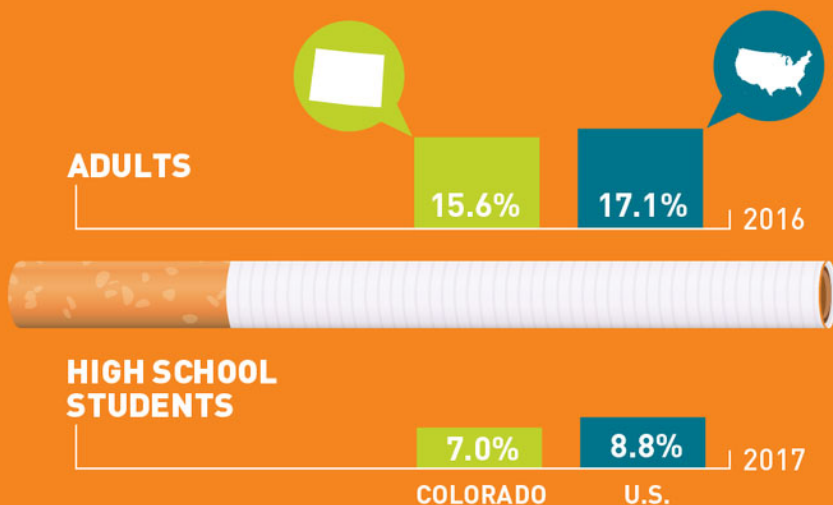


# Why Colorado?

## CIGARETTE USE

among adults and high school students

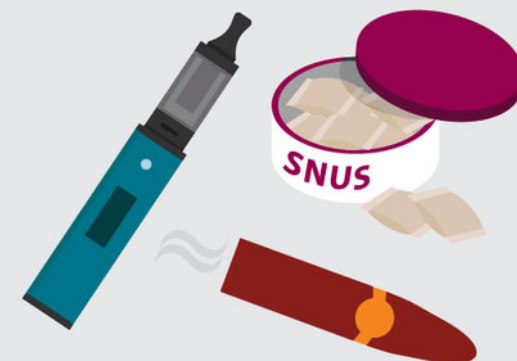
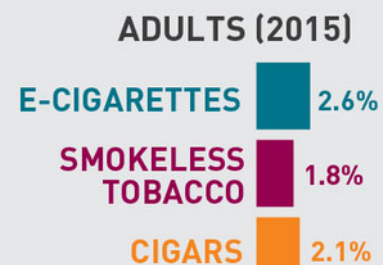
COLORADO



## OTHER TOBACCO PRODUCT USE

among adults and high school students

COLORADO



### HIGH SCHOOL STUDENTS (2017)

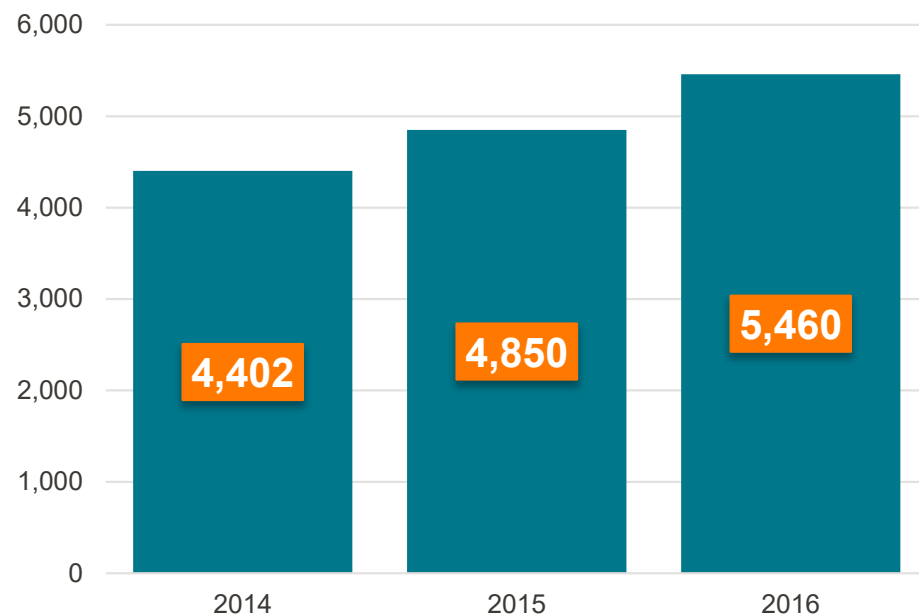


# 2016 Expansion out West

*“Market related costs are expected to increase somewhat primarily related to the expansion of ZYN in the US market.”*



Swedish Match Total Number of Employees\*



Data from: [https://www.swedishmatch.com/globalassets/reports/annual-reports/2016\\_swedishmatchannualreport\\_en.pdf](https://www.swedishmatch.com/globalassets/reports/annual-reports/2016_swedishmatchannualreport_en.pdf)

\*Employees include employees outside of the US

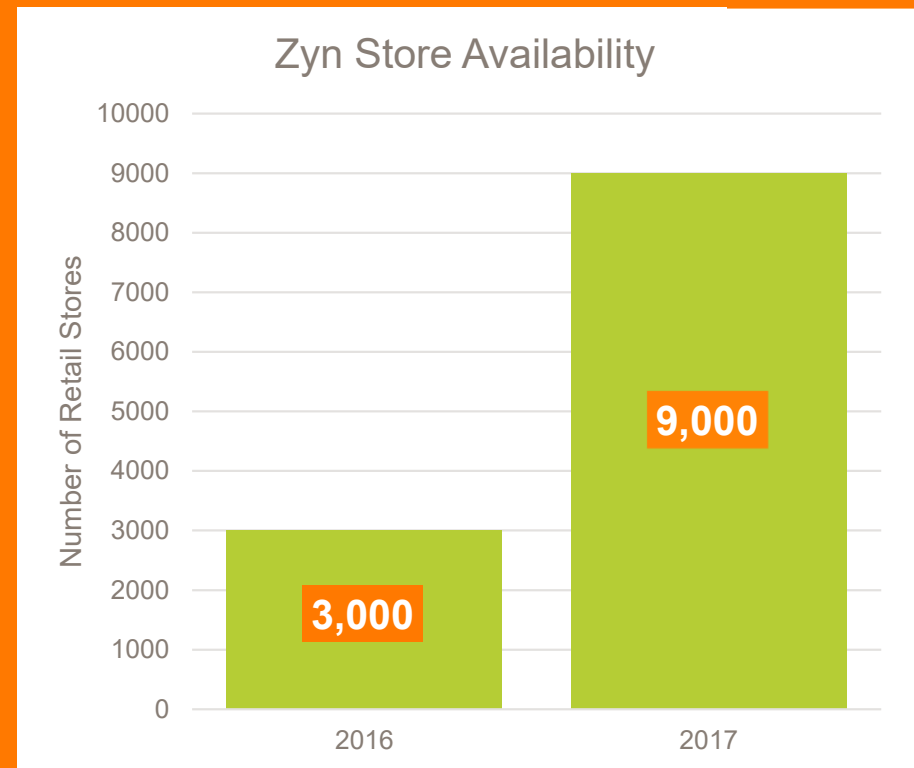
# 2017 Retail Explosion

*One of the most exciting developments in the US smokeless market has been the very positive reception for ZYN ... **Volume growth has been impressive.** Not only have we expanded our distribution in the western US, but also **have experienced growth through faster turnover in existing stores.***

*“We are currently **building new capacity** in the US in our Owensboro, Kentucky facility, investing more than **60 million dollars** to enable us to produce locally to support the growth of ZYN.”*



truth initiative



Data from: [https://www.swedishmatch.com/globalassets/reports/annual-reports/2017\\_swedishmatchannualreport\\_en.pdf](https://www.swedishmatch.com/globalassets/reports/annual-reports/2017_swedishmatchannualreport_en.pdf)

# 2018 Market Health?

*“Engaged in public awareness campaigns with the objective of increasing understanding of the health benefits of snus and ZYN compared to cigarettes.”*

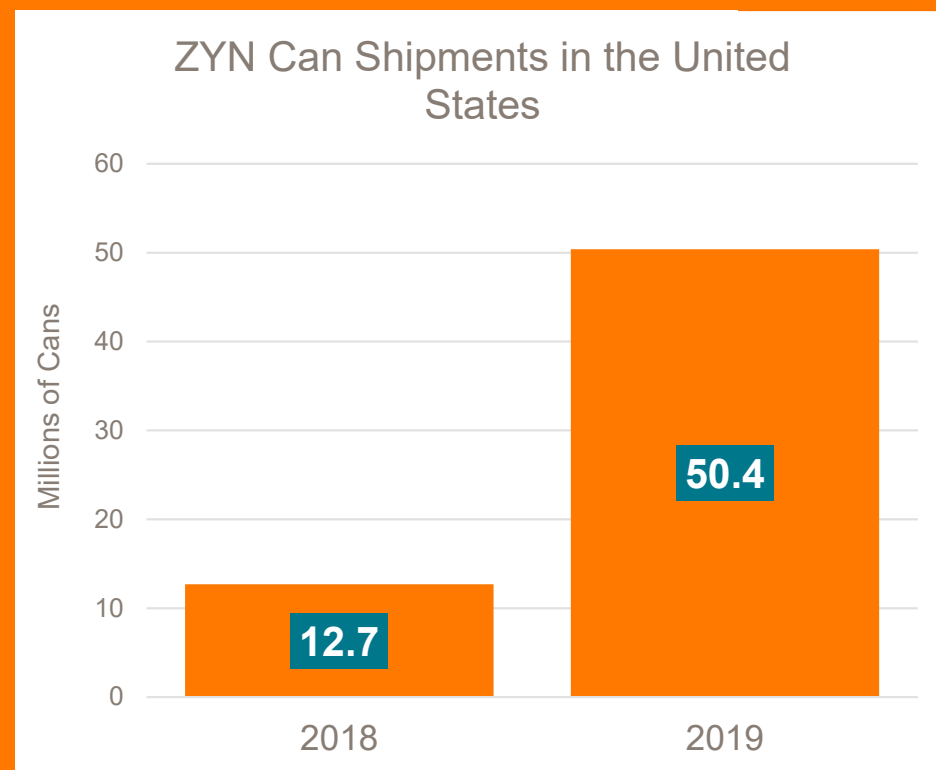
*“The very strong demand that we have experienced for ZYN in the western region has prompted us to twice decide to scale up the investment in manufacturing capacity for ZYN”*





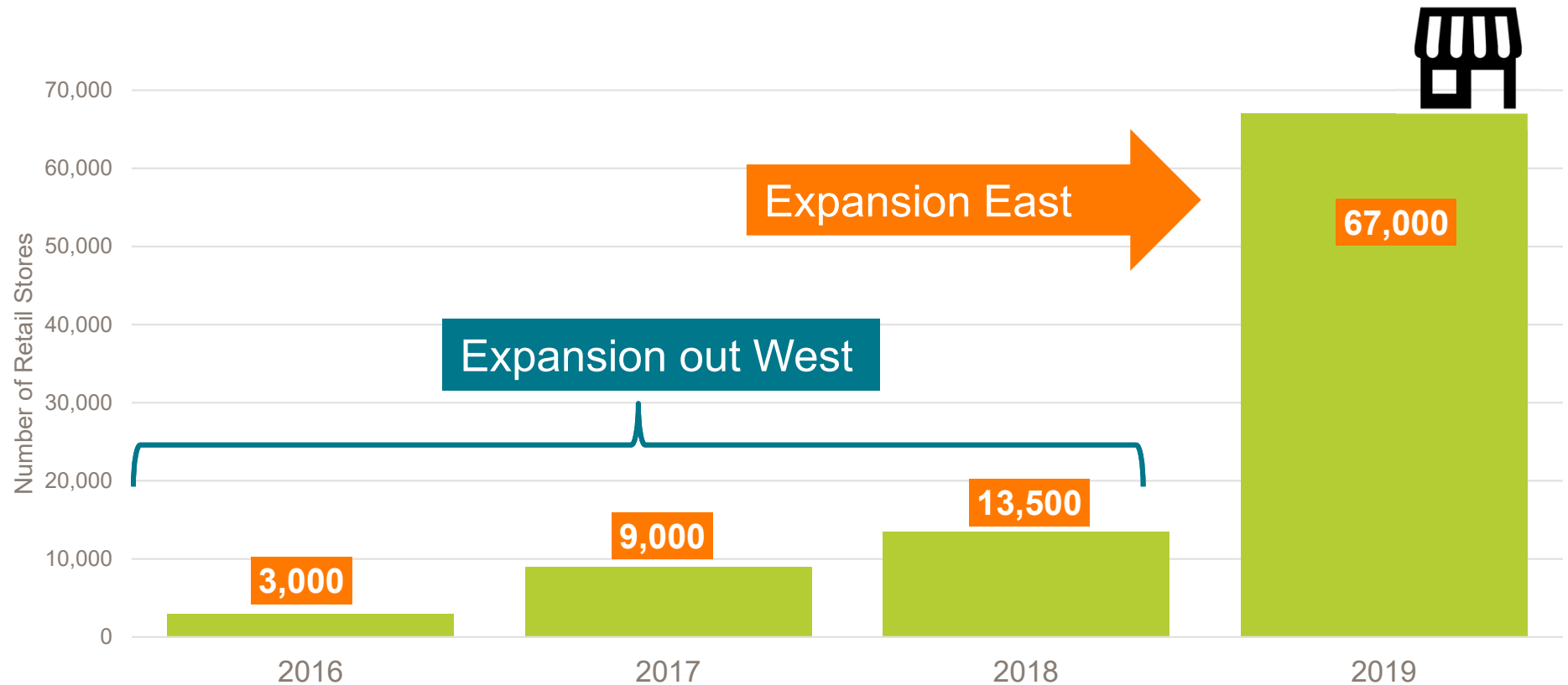
## 2019 Increasing Profit

“While the distribution footprint for ZYN expanded more than fourfold during the year, **growing volumes for ZYN were also attributable to increased sales volume per store.**”

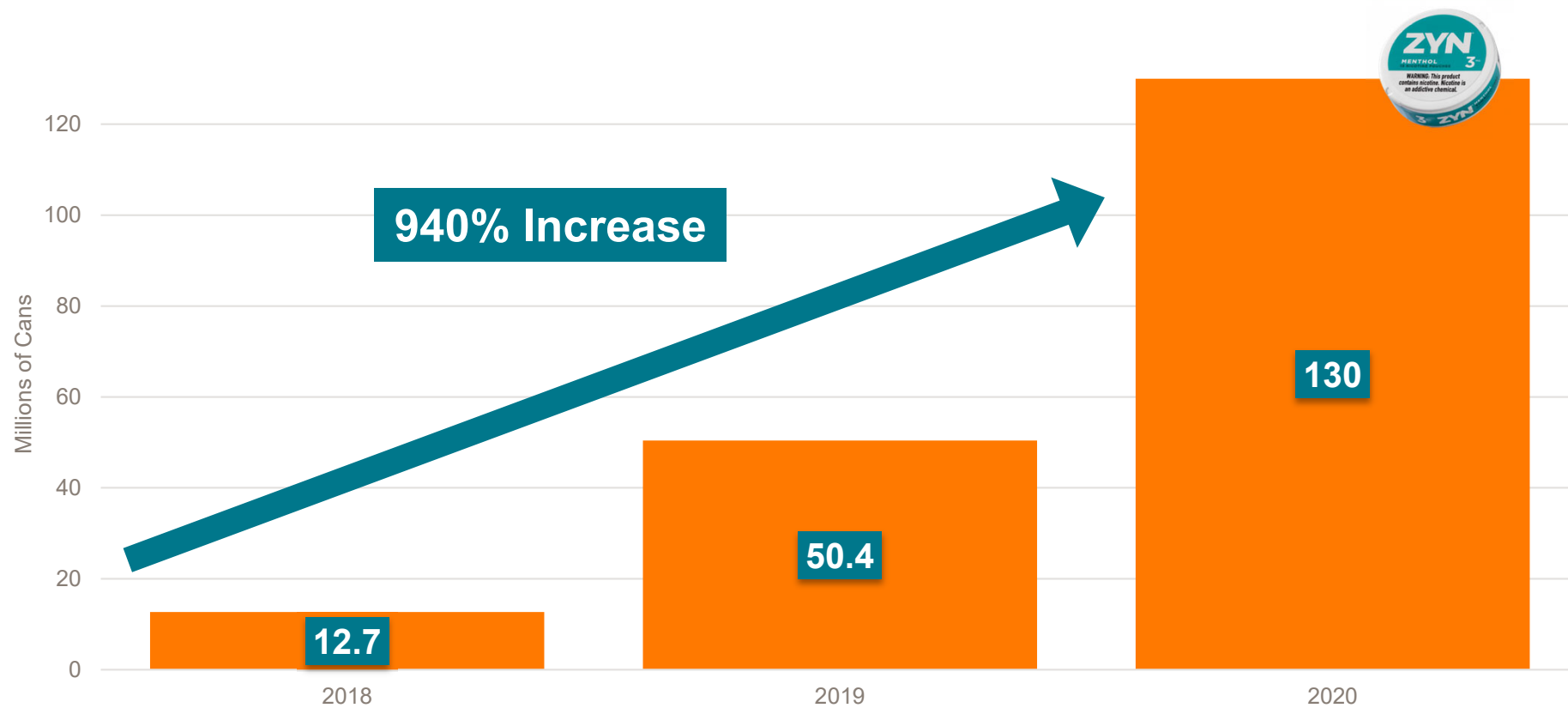


Data and Quote from: [https://www.swedishmatch.com/globalassets/reports/annual-reports/2019\\_swedishmatchannualreport\\_interactive\\_en.pdf](https://www.swedishmatch.com/globalassets/reports/annual-reports/2019_swedishmatchannualreport_interactive_en.pdf)

## 2016-2019: ZYN's Continued Expansion and Increasing Availability



# 2020: Positive Covid Effects



## 2021: Investing in the US

---

*“During the year, we have once again scaled up the ZYN production capacity in the US. Out of our total R&D expenditure, 91 percent was related to smokefree products.”*

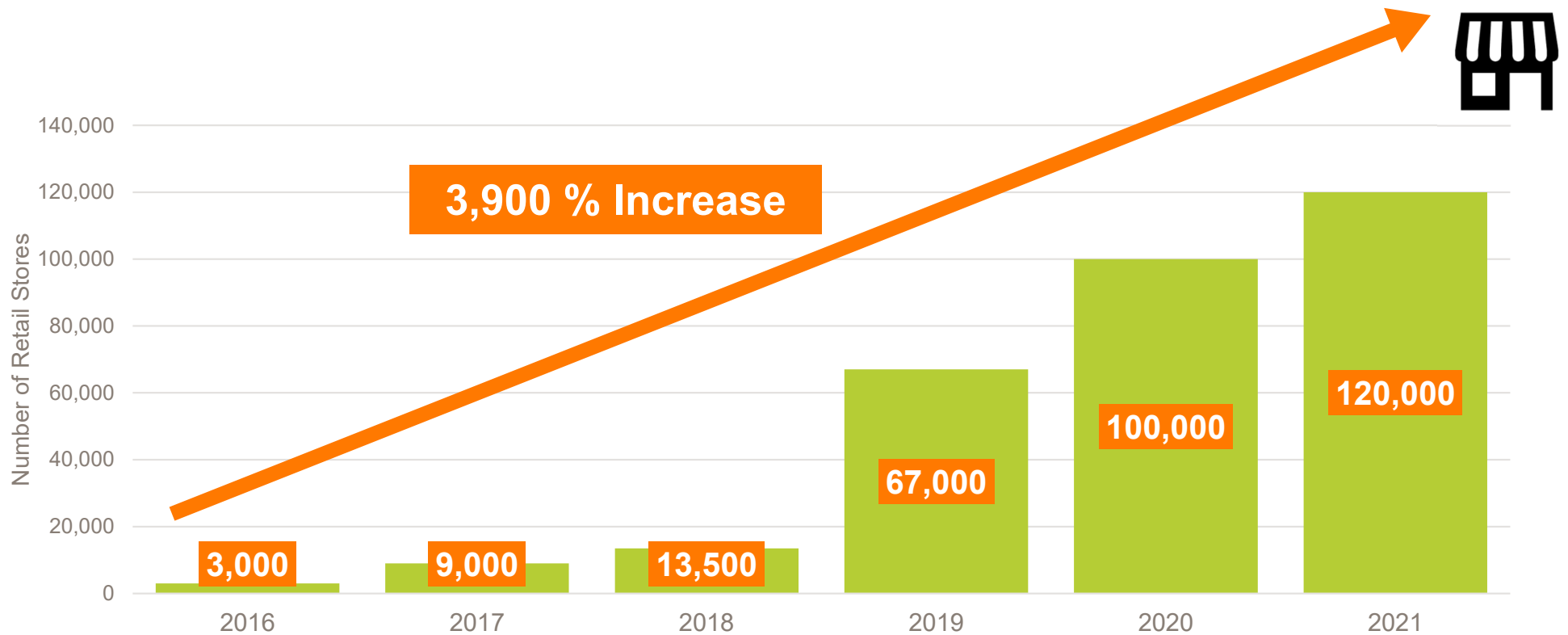


198 Millions of Cans Shipped in  
2021



- United States
- All Other Countries

# 2021 ZYN's Expansion Continues



## 2022: Success Under Swedish Match

---

**Number of  
Employees**

**73%**

**(4,402 – 7,536)  
2014-2022**

**Number of  
Stores**

**4,500%**

**(3,000 – 138,000)  
2016-2022**

**Number of  
Cans  
Shipped**

**1,633%**

**(12.7M-220M)  
2018-2022**



# End 2022: Phillip Morris International



World Business Markets Sustainability Legal Breakingviews Technology Investigations

Reuters Ecom World: Is the inflation battle really over? Join Carmel Crimmins for a discussion about possible interest rate

Deals

## Philip Morris to de-list Swedish Match after raising stake to 93%

By Marie Mannes

November 28, 2022 6:58 AM EST · Updated 2 years ago



Phillip Morris  
International  
becomes sole  
owner of Swedish  
Match and Zyn



# 2023: ZYN US Goals

## Strong Category Outlook 2024-26

### U.S.:

ZYN driving strong top and bottom-line of total PMI U.S. business

### International:

Leveraging IQOS infrastructure with disciplined investments to drive mid-term growth

### Overall Oral Smoke-Free:

Continue innovating with high quality, serious propositions for adult nicotine users

Target  
800m-1bn  
Nicotine Pouch Cans  
by 2026,  
mostly from U.S.

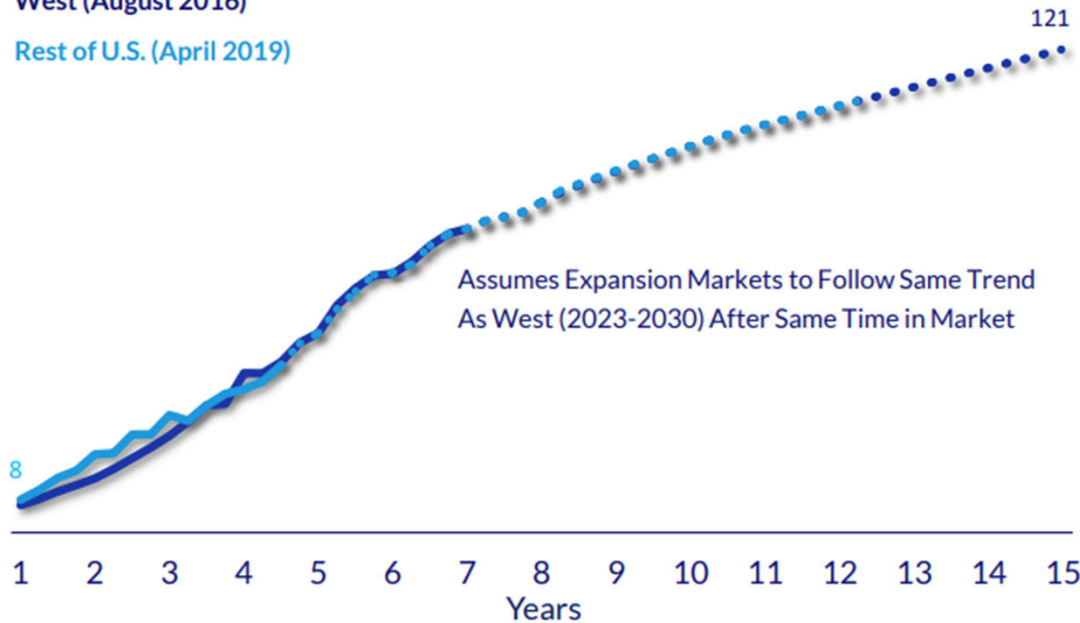


# The Future of ZYN in the US

## Category Cans/Store/Week (13W rolling)

West (August 2016)

Rest of U.S. (April 2019)



Potential Scenario  
of Velocity Growth  
Would Imply a  
2030 Category Size of:

**~3x**

Current Category Size

Note: Expansion of store universe assumed to be 5% per year for modelling purpose; expansion markets assumed to follow same trend as West (2023-2030) after same time in market  
Source: Company illustrative calculations based on IRI Unify

19

# PMI is investing \$600M to build a new Zyn manufacturing facility

---

- In summer 2024 numerous nationwide Zyn shortages were reported
- This expansion is in addition to their plan to increase production in Kentucky

5

Source: <https://www.nbcnews.com/business/business-news/zyn-maker-increases-production-capacity-new-600-million-facility-color-rcna162072>



# Who is Using Zyn?

## 2020 Who is using ZYN?

---

*“But I think it's fair to say that in our portfolio, it seems like the majority of the consumers are those with smokeless experience or previous smokeless experience. But it's about half. So about half is also coming from other sources...”*



# 2023 Who is Using ZYN?



## ZYN Consumer Fact Sheet

### Demographics

39yrs

Average Age

33%

Women

### Average Weekly Consumption (cans)

4.2

ZYN Rewards Members

3.2

Total Average

### Split on Flavor & Nicotine Strength

62%

Mint Flavors

70%

6mg Nicotine

Who are the 19%  
missing?

36%

Traditional Oral

20% 25%

Maybe nicotine  
naïve users???

### Income & Education

\$89k

Avg Household Income

60%

Graduates



# A Few Use a Lot

*“So we -- a little bit of caution there to say exactly what the average consumption is. What we can say definitively is that if you look in -- among those consumers that are registered in the ZYN loyalty program, the average consumption is higher, around 4 or north of 4 cans per consumer in a week...”*

**65% of sales are driven  
by 20% of users**

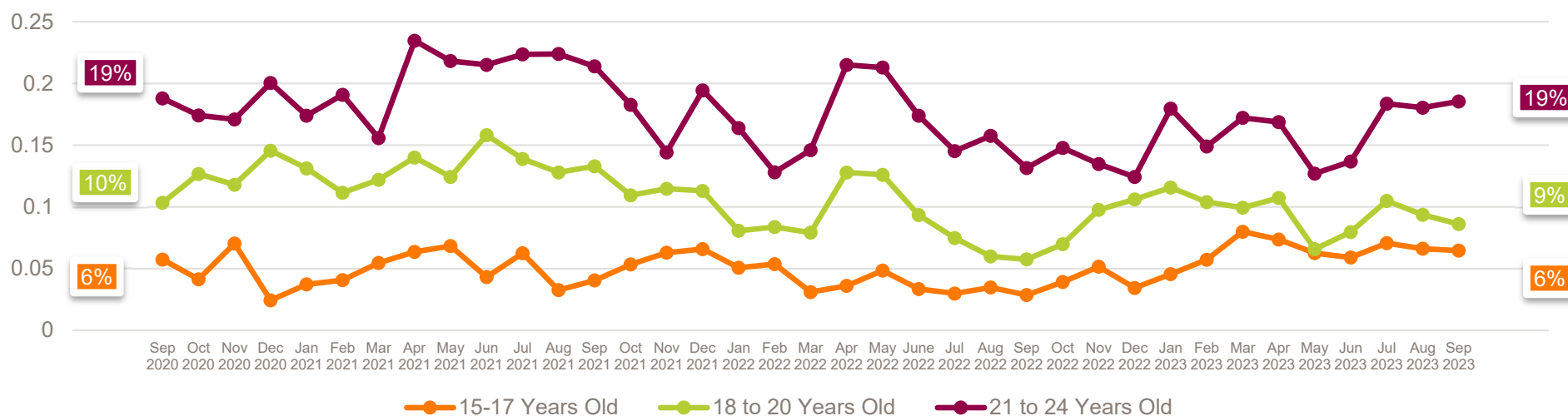


Quote from: [https://www.swedishmatch.com/globalassets/reports/annual-reports/2022\\_swedishmatchannualreport\\_en.pdf](https://www.swedishmatch.com/globalassets/reports/annual-reports/2022_swedishmatchannualreport_en.pdf)

Image: ZYN Travel Tube from: <https://flfablab.com/products/zyn-can-travel-tube-holds-5-cans-with-33665>

# Monitoring Use

- Surveillance systems have been slow to include Nicotine Pouches in the products being monitored.
  - Adults - 2022 **CPS-TUS data** reported **2.9%** of US adults had ever used nicotine pouches
  - Youth - 2024 **NYTS** reported **3.5%** of Middle and High School students had ever used nicotine pouches
  - **Truth Continuous Tracker Online** shows higher rates in online convenience samples:



# ZYN: Inspiring Competitors

# More and More and More Copycats





# ALP owned by Tucker Carlson

---



# Does this feel familiar?

# Remember JUUL?

HEALTH AND SCIENCE

## Tobacco giant Altria takes 35% stake in Juul, valuing e-cigarette company at \$38 billion

PUBLISHED THU, DEC 20 2018 7:04 AM EST | UPDATED THU, DEC 20 2018 4:43 PM EST



Angelica Peebles  
@ANGELICAPEEBLES/  
ANGELICAPEEBLES

SHARE f X in ✉

### KEY POINTS

- Altria has taken a 35 percent stake in Juul, the companies announce.
- Juul represents about 75 percent of the e-cigarette market.





# Familiar? Remember Disposable Vapes



# Key Takeaways

---

Oral nicotine pouches, with Zyn as the market leader, are a new and rapidly growing product category

Youth use is currently low, BUT nicotine pouches may appeal to youth because they are flavored and can be used discreetly

Nicotine pouches are marketed through a variety of channels (e.g., radio, TV, point of sale)

Long-term health risks are not known

# Questions?

Andrew B. Seidenberg, PhD, MPH  
[aseidenberg@truthinitiative.org](mailto:aseidenberg@truthinitiative.org)

Megan C. Diaz, PhD  
[mdiaz@truthinitiative.org](mailto:mdiaz@truthinitiative.org)



# Q&A





Thank you!

Dan Hamilton, MPH

Program Analyst, Chronic Disease

DHamilton@naccho.org

## Effective Taxation of Cigarettes and Other Tobacco Products

The American Cancer Society Cancer Action Network (ACS CAN) supports a comprehensive approach to tobacco control that includes regular, significant excise tax increases of \$1.00 or more per pack of cigarettes to effectively reduce the number of people who begin smoking and increase the number of people who quit. Taxing all other tobacco products, including e-cigarettes, at rates equivalent to the tax on cigarettes also helps prevent tobacco initiation among youth and promotes tobacco cessation among adults. Tax increases work best when tax revenues provide sustained funding for tobacco control programs that include hard-hitting earned and paid media campaigns, and evidence-based cessation services.

### Excise Taxes

Excise taxes are either “specific” or “ad valorem”

- A **specific excise tax** is a fixed monetary amount per quantity, volume, or weight of tobacco (or a combination of these).
- An **ad valorem excise tax** is a percentage of some measure of the value of tobacco products; retail, manufacturer or wholesale prices are often used as the base value.

### Taxing Cigarettes: By the Pack

All states currently have an excise tax on cigarettes at a rate per cigarette or per pack. In tax administration terms, this tax basis is known as a specific tax. In fact, since 2000, 48 states and the District of Columbia have increased their cigarette tax rates at least 149 times, always as a specific tax.<sup>i</sup>

According to the U.S. National Cancer Institute and World Health Organization, a specific tax on cigarettes better achieves public health objectives than an ad valorem excise tax because it increases retail prices of all products subject to the tax and does not perpetuate or increase price gaps between brands. Narrowing price gaps reduces consumers’ incentives to change from higher-priced to lower-priced brands or to other tobacco products.<sup>ii</sup>

Furthermore, specific taxes on cigarettes are easy to administer because cigarettes are uniform in their structure and packaging. Also important, specific taxes provide a more predictable revenue stream.

States that are interested in having cigarette taxes keep pace with inflation in real dollar terms can institute an inflation-based annual adjustment if they so choose, but these minor tax adjustments should not be in lieu of regular and significant cigarette tax increases of \$1.00 or more per pack. Tax revenue from ad valorem-based inflation increases would be (at best) pennies on the dollar which do not deter youth tobacco use, and they don’t encourage those who currently smoke to quit.

States should retain their current per-pack structural approach to taxing cigarettes. Switching the cigarette tax to a percent-of-price tax would produce the unintended consequence of creating larger price gaps between brands, resulting in a category of very low-cost cigarettes that appeal to youth, and furthermore encourage people who smoke cigarettes to simply switch to cheaper products rather than quit.

Additionally, changing the taxation on cigarettes to a price-based tax could add administrative complexity to efficient and effective enforcement of the Master Settlement Agreement as payments are based in part on tracking the quantity of cigarette sales and shipments which is easily tracked with a per-pack tax.

American Cancer Society Cancer Action Network | 655 15th Street, NW, Suite 503 | Washington, DC 20005

 @ACSCAN |  @ACSCAN | [fightcancer.org](https://fightcancer.org)



## Taxing Other Tobacco Products: By Price

To maximize health and revenue gains, simplify tax collections, and make many dangerous and addictive products that are attractive to kids cost prohibitive, ad valorem excise taxes should be assessed on all other tobacco products including e-cigarettes. Taxing other tobacco products at a percent of the retail, manufacturer or wholesale price, with an accompanying minimum tax equal to the state's per-pack cigarette tax rate is the optimal way to tax these products. Instituting a minimum tax rate will reduce price gaps between tobacco products.<sup>iii</sup>

Other tobacco products, including chewing tobacco, cigars, hookah and e-cigarettes, vary widely in their structure and packaging unlike cigarette packs. This lack of uniformity makes an effective per-pack tax difficult to assess and collect on these types of products.

Tobacco companies favor weight-based or volume-based taxes on tobacco products to keep the price of their products cheaper for consumers. A weight-based or volume-based tax will not keep up with inflation or product price increases. As a result, a weight-based or volume-based tax will erode over time, bringing states lower revenue than percentage-of-price taxes.<sup>iv</sup> Taxing tobacco products by weight or volume is administratively complex, requiring independent verification of the quantity of taxable contents. Also, weight-based or volume-based taxes incentivize tax avoidance by tobacco manufacturers which could simply reduce the weight or change the composition of the product to keep the overall price low.

## The Bottom Line

Establishing a specific tax on cigarettes and a percent-of-price tax on other tobacco products will optimize the health, revenue collection, and enforcement aspects of the policy. ACS CAN supports regular and significant excise tax increases on all tobacco products. Ensuring that tobacco tax increases are equally applied across all product categories will maximize the health and revenue benefits of the tax increase. ACS CAN opposes tobacco industry attempts to complicate tax collection efforts by taxing cigarettes at a percent-of-price or by taxing other tobacco products by weight or volume. To further amplify health the benefits of the tax, ACS CAN also recommends that new tobacco tax revenues be directed to evidence-based tobacco prevention and cessation programs in accordance with Centers for Disease Control and Prevention best practices.<sup>v</sup>

<sup>i</sup> Campaign for Tobacco-Free Kids. Cigarette Tax Increases by State per Year 2000-2023. Factsheet available at: <https://www.tobaccofreekids.org/assets/factsheets/0275.pdf>. Updated August 8, 2023.

<sup>ii</sup> U.S. National Cancer Institute and World Health Organization. The Economics of Tobacco and Tobacco Control. National Cancer Institute Tobacco Control Monograph 21. NIH Publication No. 16-CA-8029A. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; and Geneva, CH: World Health Organization; 2016. Section 3: Price Determinants of Demand: Chapter 5: Design and Administration of Taxes on Tobacco Products. [https://cancercontrol.cancer.gov/brp/tcrb/monographs/21/docs/m21\\_5.pdf](https://cancercontrol.cancer.gov/brp/tcrb/monographs/21/docs/m21_5.pdf). Accessed March 15, 2019.

<sup>iii</sup> Tobacco Control Legal Consortium. State Taxation of Non-Cigarette Tobacco Products. Last updated February 2012. Factsheet available at: <https://www.publichealthlawcenter.org/sites/default/files/resources/tclc-guide-state-tax-OTP-2012.pdf>. Accessed March 15, 2019.

<sup>iv</sup> Campaign for Tobacco-Free Kids. The Best Way to Tax Smokeless Tobacco: A Simple Weight-Based Tax Hurts State Revenues and Increases Youth Use. Washington, DC: Campaign for Tobacco-Free Kids; 2008.

<sup>v</sup> Centers for Disease Control and Prevention. Best Practices for Comprehensive Tobacco Control Programs—2014. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014.

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is John Illich, and I am here today as a parent in support of **Senate Bill 2281**. I urge you to give this bill a **Do Pass** recommendation.

Increasing tobacco taxes is a **proven public health strategy** that reduces tobacco use, prevents addiction—especially among youth—and lowers rates of heart disease, cancer, and lung conditions that place a significant strain on our healthcare system. At only **44 cents per pack**, North Dakota's cigarette tax has **not increased since 1993** and now ranks **49th in the nation**, far below the national average of **\$1.97 per pack**. Meanwhile, the price of cigarettes in North Dakota has risen by **310%** due to company price hikes and inflation, while the tax has remained stagnant—once accounting for **24%** of the retail price in 1993 but now making up only **6%**.

Our surrounding states have significantly higher cigarette taxes—**Montana's tax is \$1.70 per pack, South Dakota's is \$1.53, and Minnesota's is \$3.04 per pack**. North Dakota's outdated rate is a missed opportunity to reduce smoking rates, improve public health, and ease the financial burden tobacco-related diseases place on our healthcare system.

This tax increase is long overdue. Raising tobacco taxes would be a **critical step toward protecting public health, discouraging tobacco use, and reducing the burden of tobacco-related diseases**. I urge you to vote yes on **SB 2281**.

Sincerely,  
John Illich

March 11, 2025

**Chairman Headland and Members of the House Finance and Taxation Committee,**

My name is Erin Haugen, and I am here today as a concerned citizen in support of **Senate Bill 2281**. I urge you to give this bill a **Do Pass** recommendation.

Tobacco use remains one of the leading causes of preventable death and disease in North Dakota. It is directly linked to heart disease, cancer, lung disease, and other serious health complications that place a heavy burden on individuals, families, and our healthcare system. As a state, we have the opportunity to take meaningful action to reduce tobacco use and protect public health.

One of the most effective ways to reduce tobacco consumption—particularly among youth—is to increase tobacco taxes. This bill proposes an increase on cigarettes, cigars, other tobacco products, alternative tobacco products, electronic smoking devices, and related substances. Studies consistently show that higher tobacco prices discourage young people from starting and motivate current users to quit. This is not just about generating revenue; it is about **saving lives and reducing long-term healthcare costs**.

The passage of **Senate Bill 2281** would be a step toward a healthier North Dakota. By supporting this bill, you are choosing to prioritize public health, reduce tobacco-related illnesses, and lessen financial strain on our healthcare system. I respectfully ask for your support in passing this critical legislation.

Thank you for your time and consideration.

**Erin Haugen**

Concerned Citizen, Grand Forks, ND



## ND Petroleum Marketers Association

1014 East Central Avenue • PO Box 1956  
Bismarck, ND 58502 • Telephone 701-223-3370  
www.ndpetroleum.org • Fax 701-223-5004

### Testimony- SB 2281

March 11, 2025 – House Finance and Tax Committee

Chairman Headland & Members of the House Finance and Tax Committee:

For the record, I'm Mike Rud, President of the North Dakota Petroleum Marketers Association. On behalf of NDPMA and well over 600 retail store fronts, I stand before you urging a **"DO NOT PASS" recommendation on SB 2281.**

NDPMA members view these taxes as egregious, to say the least. Plain and simple these are **SIN TAXES**. Taxes preying on some of the most economically disadvantaged consumers in ND. Let's not forget, these are adults over the age of 21 purchasing legal products.

Section 7 line 19 of the bill talks about establishing the Tobacco Tax Distribution Fund. Why would the state need another bucket of tobacco control and prevention money? I think the state currently does a pretty solid job of funding local and district public health units across the state.

Mr. Chairman and Committee members, earlier in the session, we talked about the **\$717M** ND has received to date through the MSA. The numbers don't lie: Plenty of funds currently exist for tobacco and prevention control. Plenty of dollars also exist for treatment of mental health issues such as depression, anxiety and continued funding of the 988 suicide crisis hotline via the Community Health Trust Fund.

The biggest items in 2021-2023 were:<sup>1</sup>

- **\$5.1 million for tobacco prevention programs**
- **\$5.1 million for tobacco Quitline**

In the 2023-2025 biennium, the biggest expenses are:<sup>2</sup>

- **\$6.3 million for tobacco prevention programs**
- **\$5 million for tobacco Quitline**
- **\$1.8 million for the 988 crisis hotline**

The following information is part of the Department of Health and Human Services 2025-2027 proposed budget (HB 1012)

SECTION 12. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND. The other funds line items in section 1 of this Act includes the sum of \$38,713,522 from the community health trust fund for the following purposes:

<b>Tobacco and vaping programs</b>	<b>\$11,599,698</b>	<b>\$300,000 bump = 2.5% increase</b>
<b>988 crisis hotline</b>	<b>\$1,867,500</b>	<b>\$ 70,000 bump = 3.7% increase</b>
<b>Animal shelter grant</b>	<b>\$300,000</b>	

The settlement payment appropriation means that the Community Health Trust Fund is one of the best funded state trust funds in North Dakota. It runs into perpetuity.

Bottom line, taxing tobacco and alternative tobacco isn't getting to the heart of the problem. People under the age of 21 aren't purchasing these products at a North Dakota retail outlet. This issue boils down to parental responsibility and personal responsibility. NDPMA doesn't see the value in legislating the personal behavior of the adult community using these legal products in a responsible manner. You are potentially punishing the wrong group.

NDPMA urges a **"DO NOT PASS"** recommendation on SB 2281.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2281  
3/11/2025

Relating to a tax on cigars, other tobacco products, alternative tobacco products, electronic smoking devices, and electronic smoking device substances and a tobacco tax distribution fund; to amend and reenact section 57-36-01, subsection 1 of section 57-36-31, and section 57-36-32 of the North Dakota Century Code, relating to the definition of alternative tobacco products, transfer and allocation of tobacco products tax revenue and tax on cigarettes; to provide a penalty; to provide a continuing appropriation; and to provide an effective date.

2:30 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Dockter, Dressler, Foss, Grueneich, Motschenbacher, Nehring, J. Olson, Steiner, Toman  
Members Absent: Representative Porter, D. Anderson, Ista

### Discussion Topics:

- Committee action
- Youth
- Black market

2:30 p.m. Representative Steiner suggested a study for the violations that cause the youth to gain access to nicotine.

2:34 p.m. Representative Hagert moved a Do Not Pass.

2:34 p.m. Representative Motschenbacher seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	Y
Representative Jeremy Olson	Y
Representative Todd Porter	AB
Representative Vicky Steiner	N
Representative Nathan Toman	Y
Representative Austin Foss	Y



Representative Zachary Ista	Y
-----------------------------	---

2:36 p.m. Motion passed 10-3-1

2:36 p.m. Representative Dressler will carry the bill.

2:36 p.m. Chairman Headland closed the meeting.

*Janae Pinks, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2281 ([25.0684.02000](#))**

**Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2281 was placed on the Fourteenth order on the calendar.