

TAXPAYERS PROTECTION ALLIANCE

April 10, 2025

House Committee on Finance
State of Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Dear Chair Abney, Vice Chair Slater, Vice Chair Marszalkowski, and members of the committee:

On behalf of the millions of taxpayers and consumers we represent, the Taxpayers Protection Alliance (TPA) urges you to support H.B. 5770, a bill that would reduce the cigarette tax imposed by 75 percent for any modified risk tobacco product, meaning any tobacco product that is sold or distributed for use to reduce the harm or risk of tobacco-related disease. Passing this legislation will recognize the importance of less harmful products. This will also be a catalyst for people looking to quit and serve as an important measure to push more people towards harm reducing nicotine products if they so choose.

The evidence of harm associated with combustible cigarettes has been understood since the 1964 U.S. Surgeon General's Report that smoking causes cancer. People looking for an alternative to smoking traditional cigarettes are turning to heated tobacco products. Research overwhelmingly shows the smoke created by the burning of tobacco, rather than the nicotine, produces the harmful chemicals found in combustible cigarettes.¹ There are an estimated 600 ingredients in each tobacco cigarette, and "when burned, [they] create more than 7,000 chemicals."² As a result of these chemicals, cigarette smoking is directly linked to cardiovascular and respiratory diseases, numerous types of cancer, and increases in other health risks among the smoking population.³ According to the Center for Disease Control and Prevention (CDC), cigarette smoking is responsible for more than 480,000 deaths annually in the United States.⁴

These deaths are avoidable. Tobacco harm reduction (THR) products like heated tobacco products (HTPs) are proven to help adult smokers quit smoking traditional cigarettes. Resulting in saved lives and by transitioning smokers away from combustible products.

For decades, policymakers and public health officials looking to reduce smoking rates have relied on strategies such as emphasizing the possibility of death related to tobacco use and implementing tobacco-related restrictions and taxes to motivate smokers to quit using cigarettes. However, there are much more effective ways to reduce tobacco use than relying on government mandates and "quit or die" appeals.

Because of federal government regulations, most Americans are uninformed about HTPs. Currently, the FDA has authorized the sale of one HTP, which has been modestly introduced to U.S. markets after judicial delays. Nonetheless, around the globe, millions of adults have successfully used HTPs to transition from much more toxic combustible cigarettes. Numerous studies have also found that HTPs are less harmful than combustible cigarettes.

Commercial HTPs were first developed in the 1980s, but it has been in recent years that the market has grown. Heated tobacco technology is a unique tobacco harm reduction tool because it has the "ability to regulate and distill flavor and nicotine at lower temperatures." Studies have compared HTPs by analyzing the "presence and relative concentrations of harmful and potentially harmful constituents (HPHCs)." A 2019 review of HTP studies found that compared to cigarettes, modern HTPs reduced HPHCs by at least 62 percent.⁵

¹ Brad Rodu. For Smokers Only: How Smokeless Tobacco Can Save Your Life. Sumner Books, 1995, p. 103.

² American Lung Foundation, "What's In a Cigarette?," February 20, 2019, <https://www.lung.org/stop-smoking/smoking-facts/whats-in-a-cigarette.html>

³ Centers for Disease Control and Prevention, "Health Effects of Cigarette Smoking," January 17, 2018, https://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/effects_cig_smoking/index.htm

⁴ Centers for Disease Control and Prevention (CDC). "Smoking & Tobacco Use. Fast Facts." September 17, 2024. <http://www.cdc.gov/tobacco/about/index.html>

⁵ Erikas Simonavicius et al., "What factors are associated with current smokers using or stopping e-cigarette use?," Drug and Alcohol Dependence, April 1, 2017, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5380653/>.

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A 2020 study by the American Cancer Society remarked that HTPs “likely reduced cigarette sales in Japan.”⁶ A 2022 Cochrane review found that there was “moderate-certainty evidence that heated tobacco users have lower exposure to toxicants/carcinogens than cigarette smokers.”⁷

In the United States, the FDA has authorized two HTPs – through two marketing pathways. One product (IQOS) also has a modified risk tobacco product (MRTP) order, allowing the manufacturer to correctly advertise the product as less harmful, specifically:

- AVAILABLE EVIDENCE TO DATE:
 - The IQOS system heats tobacco but does not burn it.
 - This significantly reduces the production of harmful and potentially harmful chemicals.
 - Scientific studies have shown that “switching completely from conventional cigarettes to the IQOS system significantly reduces your body’s exposure to harmful or potentially harmful chemicals.”⁸

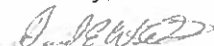
Legislation which differentiates between different tobacco products (while recognizing their reduced risk potential) is a worthwhile endeavor for policymakers because it helps to both inform adults who smoke of less harmful alternatives, as well as incentivize their use of them.

Over the past several years, several states have reduced the tax rate on HTPs. This has been done through distinguishing the product as a different tobacco product category, or by recognizing the FDA’s MRTP order, of which one brand of HTP has authorization.

For example, Virginia recognizes HTP as a separate tobacco product category and HTPs are subject to a \$0.0225-per-stick tax, or \$0.45/pack of 20 sticks - \$0.15 less than cigarette tax per-pack. Last year, Mississippi passed legislation enacting a tax rate of 1.25 cents per stick for HTPs – compared to a 3.4 cents burden for traditional cigarettes. Several states have enacted legislation which reduces the tax burden on products which have obtained a modified risk tobacco product order from the FDA.

Excise taxes are traditionally used to deter behavior and raise revenues for states but often fail to do both. Excessive taxes on HTPs that are used to help adult smokers quit are regressive taxes that put Rhode Islanders at risk. Reducing taxes on HTPs would increase public health and would end the disproportionate harm to low-income earners who are trying to quit smoking. Additionally, higher taxes on HTP products drive sales to illicit and dangerous black-market alternatives, including unregulated products from China and other foreign markets. Reducing taxes on products that have helped millions of Americans quit smoking will encourage more smokers to transition away from traditional cigarettes. For the above reasons I urge you to support H.B. 5770.

Sincerely,



David Williams
President

⁶ Michael Stoklosa et al., “Effect of IQOS introduction on cigarette sales: evidence of decline and replacement,” *Tobacco Control*, July 29, 2020, <https://pubmed.ncbi.nlm.nih.gov/31209129/>.

⁷ Harry Tattan-Birch et al., “Heated tobacco products for smoking cessation and reducing smoking prevalence,” *Cochrane Database of Systematic Reviews*, January 6, 2022, <https://www.cochranelibrary.com/cdsr/doi/10.1002/14651858.CD013790.pub2/full>

⁸ FDA Authorizes Marketing of IQOS Tobacco Heating System with ‘Reduced Exposure’ Information, July 07, 2020