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Title: Tax Rate for Electronic Cigarettes
Introduced by: Annette Mercatante, MD, for the St. Clair County Delegation
Original Author: P. Dileep Kumar, MD
Referred to: Reference Committee D
House Action: **AMEND**

Whereas, the US Food and Drug Administration (FDA) finalized a rule¹ extending the FDA's regulatory authority to all tobacco products, including e-cigarettes, and

Whereas, taxation of tobacco products is a widely-accepted practice, and

Whereas, previous attempts at taxing e-cigarettes in Michigan have failed, and

Whereas, tobacco products are taxed up to 32 percent of wholesale prices in Michigan², and

Whereas, e-cigarettes might have reduced toxicity compared to conventional cigarettes, encourage current smokers to switch completely, and/or are not widely used by youth, and may have the potential to reduce disease and death, and

Whereas, if any product prompts young people to become addicted to nicotine, reduces a person's interest in quitting cigarettes, and/or leads to long-term usage with other tobacco products, the public health impact could be negative¹, and

Whereas, an excise tax on e-cigarettes at lower rates than tobacco product taxes might be more appropriate; therefore be it

RESOLVED: That MSMS work with Michigan Legislature and the Governor to formulate an excise tax on electronic cigarettes in Michigan.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

¹ The facts on the FDA's new tobacco rule. Accessed at <https://www.fda.gov/ForConsumers/ConsumerUpdates/ucm506676.htm> on February 28, 2017.

² Michigan taxes. Michigan department of treasury. Accessed at http://www.michigan.gov/taxes/0,4676,7-238-43519_43547-154443--,00.html on February 28, 2017.