

Higher rate of smoking may result from a national vaping tax, economist finds

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E-cigarette taxes will increase the purchase and use of cigarettes, a study

by Georgia State University economist Michael Pesko and his colleagues suggests in the wake of legislation to tax e-cigarettes proportionately to cigarettes that was approved by the U.S. House of Representative's Ways and Means Committee in late October.

"Our results suggest that while cigarette taxes reduce [cigarette use](#), and e-cigarette taxes reduce [e-cigarette use](#), they also have important interactions on each other. E-cigarettes and cigarettes are economic substitutes," said Pesko, an assistant professor in the Andrew Young School of Policy Studies. "So, if you raise the tax on one product, you will increase use of the other product."

In addition to the potential for a future national tax on e-cigarettes, several states are adopting e-cigarette taxes. E-cigarette taxes started on Oct. 1 in Connecticut, Ohio, Washington and Wisconsin, and e-cigarette taxes are scheduled to be enacted on Jan. 1 in Maine and Nevada. This activity will bring to 20 the number of states with e-cigarette taxes.

An earlier study co-authored by Pesko also warns that e-cigarette taxes raise smoking among pregnant women by about six percent.

For these studies, Pesko and his co-authors used data on smoking from 17.3 million [birth records](#) from 2013 to 2017 and data on tobacco use from 3.1 million records from the Behavioral Risk Factor Surveillance System and National Health Interview Surveys between 2011 and 2017. The authors examined the effect of e-cigarette taxes adopted by eight states and a number of counties during this period to predict the likely impact of a federal e-cigarette tax or future state-level e-cigarette taxes.

"Despite the recent news about vaping deaths," Pesko said, "e-cigarettes are thought to be only five percent as harmful as cigarettes for non-pregnant adults. Adopting a national e-cigarette tax proportional to the cigarette tax could harm [public health](#) by pushing people to use a more

dangerous product—cigarettes."

The Centers for Disease Control and Prevention reported that 34 individuals were known to have died from vaping, but most of these individuals were users of THC vapes rather than nicotine vapes. Cigarettes, meanwhile, are estimated to kill 480,000 individuals annually. Given the higher smoking mortality risk, Pesko's research recommends against enacting [e-cigarette taxes](#) that may push people to more dangerous cigarette use.

"Some people would argue that harshly regulating e-cigarettes is justified if e-cigarettes are a gateway to cigarette use, but the evidence does not back up that theory as youth cigarette use has been rapidly declining while [e-cigarette](#) use has been rising," he said.

More information: The Effect of E-Cigarette Taxes on Pre-Pregnancy and Prenatal Smoking, and Birth Outcomes.

www.nber.org/papers/w26126.pdf

Provided by Georgia State University

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