



PMI US CORPORATE SERVICES

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Written Testimony Regarding Tax Proposal on Nicotine Pouches

*ENHANCING PUBLIC HEALTH BY MODIFYING CIGARETTE, VAPOR PRODUCT, AND
TOBACCO PRODUCT POLICY.*

**Submitted to the Joint Legislative Budget Committee on Health by Dr. Brian Erkkila,
Senior Advisor of Scientific Engagement, on behalf of PMI US Corporate Services Inc.**

February 6, 2026

Good morning, Chairs Kreuger and Pretlow and members of the Joint Legislative Committee. My name is Dr. Brian Erkkila. I have spent the past 25 years studying tobacco and nicotine, including work at the National Institutes of Health and the FDA's Center for Tobacco Products.

I am commenting today as the head of Scientific Engagement for PMI U.S. Corporate Services Inc., a part of Philip Morris International and its family of companies. Thank you very much for the opportunity to raise concerns around the impacts of taxing smoke-free alternatives at very high rates.

PMI's mission is to reduce smoking by replacing combustible cigarettes with FDA-authorized lower risk alternatives. PMI does not sell, and has never sold, combustible cigarettes in the U.S., offering instead a portfolio of smoke-free products that have been scientifically evaluated as "appropriate for the protection of public health" by the FDA.

In New York, more than 1.5 million people smoke cigarettes, the most harmful form of tobacco on the market. Smoking causes over 28,000 deaths every year and costs the state more than \$7 billion annually in Medicaid spending.¹ Smoking rates are especially high

¹ Campaign for Tobacco-Free Kids, The Toll of Tobacco in New York,
https://www.tobaccofreekids.org/problem/toll-us/new_york

among lower-income individuals, veterans, older adults, and people with mental health or substance-use disorders,² many of whom are unlikely to quit entirely.³

The FDA and broader scientific community recognize that tobacco and nicotine products exist along a continuum of risk, with combustible cigarettes posing the greatest harm and smoke-free alternatives representing lower-risk options.⁴ Concluding their scientific review of ZYN nicotine pouches, the FDA even stated that “adults who smoke who switch completely to ZYN are expected to experience reduced risk of cancer, respiratory toxicity, and cardiovascular toxicity.”⁵

Unfortunately, a 75% tax on nicotine pouches would make these smoke-free alternatives significantly more expensive, and therefore, less affordable to New Yorkers who smoke. As a matter of sound public policy, products that the FDA has deemed “appropriate for the protection of public health” should not be taxed at excessive rates because it doesn’t provide a meaningful incentive for smokers to switch from combustible cigarettes.

FDA authorization is an exceptionally high regulatory bar. Of the authorizations ever granted, only 85 smoke free products have successfully received the “appropriate for the protection of public health” designation, out of more than 25 million applicants. These FDA-authorized products offer smokers an important alternative to the nearly 4,000 combusted cigarettes in the marketplace.⁶ Furthermore, FDA authorization of smoke-free products reflects a rigorous, science-based evaluation that considers not only the potential benefits for adult smokers but also potential appeal to non-users, including youth, and population-level effects.

A 2025 Rutgers University study published in the *Journal of the American Medical Association Network* on nicotine pouches offers a relevant example of how smoke-free products can be part of a current smoker’s journey. Researchers found that daily nicotine pouch use was highest among adults who had recently quit more harmful tobacco products, such as cigarettes.⁷ As Dr. Christine Delnevo, Director of the Institute for Nicotine and Tobacco Studies at Rutgers, explained, “Our results suggest that adults may

² CDC, Tobacco Disparities Dashboard, <https://www.cdc.gov/tobacco-health-equity/data-research/index.html>

³ CDC, Smoking Cessation Fact Sheet, <https://www.cdc.gov/tobacco/php/data-statistics/smoking-cessation/index.html>

⁴ FDA, The Relative Risks of Tobacco Products, <https://www.fda.gov/tobacco-products/health-effects-tobacco-use/relative-risks-tobacco-products>

⁵ FDA, Technical Project Lead Review of PMTAs, PMTA_TPL_PM593-PM612_Zyn_01_13_2025_Redacted.pdf

⁶ FDA, Searchable Tobacco Products Database, <https://www.accessdata.fda.gov/scripts/searchtobacco/>

⁷ Delnevo, Tomaino, & Hrywna, 2025

be using nicotine pouches for harm reduction, given that use is highest among those who have recently quit another tobacco product or e-cigarettes.”⁸

As lawmakers consider how best to regulate tobacco and nicotine products, it is essential that policies are grounded in scientific evidence and aligned with FDA’s relative risk framework. According to New York University Professor of Social and Behavioral Sciences Dr. Ray Niaura, “Taxing reduced risk tobacco products, such as nicotine pouches and vapes, at high levels will discourage their use, but will also drive people back to smoking cheaper cigarettes. This will maintain smoking’s deadly toll on Americans’ health and lives.”⁹

High taxes can also lead to a large illicit market.¹⁰ A new 75% tax can prompt consumers to find cheaper products elsewhere, pushing these consumers away from regulated retailers to black markets or unregulated online marketplaces with no age verification, no tax collection, and virtually non-existent enforcement. Such a steep tax can also have punitive repercussions on FDA-authorized smoke-free products that have higher retail prices and have gone through FDA’s rigorous scientific process.

In closing, products should be taxed in proportion to their risk in order to achieve the strongest possible public health outcomes. Supporting the transition from combustible cigarettes to lower-risk smoke-free alternatives is a scientifically validated, public health strategy that can meaningfully improve health for New Yorkers who smoke.

For these reasons, I urge the committee not to move forward with a tax of this magnitude. Instead, I encourage support for tax policies that align with the science of tobacco harm reduction. We should not penalize adults who switch away from deadly combustible cigarettes by applying a one-size-fits-all tax to products that have met FDA’s exceptionally high standards.

Thank you.

⁸ Rutgers Health News, Nicotine Pouches May Offer Path to Reduced Tobacco Harm, <https://rutgershealth.org/news/nicotine-pouches-may-offer-path-reduced-tobacco-harm>

⁹ HeraldNet, Comment: Higher tax on tobacco pouches could backfire, <https://www.heraldnet.com/opinion/comment-higher-tax-on-tobacco-pouches-could-backfire/>

¹⁰ The Mackinac Center for Public Policy, Cigarette taxes turn New York into smuggling empire, <https://www.mackinac.org/blog/2023/cigarette-taxes-turn-new-york-into-smuggling-empire>