

February 12, 2026

The Honorable Kathy Hochul  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

**RE: Urging the Governor to Veto the RAISE Act**

Dear Governor Hochul:

Thank you for your time today to discuss the proposed tax on alternative nicotine products in New York. My name is Christina Smith, and I serve as the Director of the Consumer Center at the Taxpayers Protection Alliance (TPA). TPA is a non-profit, non-partisan organization committed to informing the public through research, analysis, and dissemination of information regarding the government's impact on the economy. On behalf of the millions of taxpayers and consumers we represent, TPA is pleased to submit the following comments in opposition to the proposed expansion of New York's 75 percent wholesale tax on tobacco products to include "alternative nicotine products." We urge you to oppose this tax hike and allow smokers low-cost access to reduced-risk products that could save their lives.

Currently, New York imposes the highest tax rates on tobacco products in the nation, levying a 75 percent tax on the wholesale price of tobacco products and a \$5.35-per-pack state cigarette excise tax. Governor Hochul's FY 2027 Executive Budget Legislation includes a provision that would expand the 75 percent wholesale tax to alternative nicotine products, taking effect on or after September 1, 2026.<sup>1</sup>

Today, approximately 30 million American adults smoke cigarettes. More than 480,000 deaths occur annually in the United States from smoking, including more than 41,000 deaths from secondhand smoke. This is about one in five deaths annually, or 1,300 deaths every day.<sup>2</sup> A conventional cigarette contains more than 6,000 ingredients, which, when burned, release more than 7,000 chemicals.<sup>3</sup> Traditional cigarette use is associated with a host of diseases and chronic illnesses. Additionally, traditional smoking burdens the healthcare system and costs taxpayers hundreds of billions of dollars annually.

Nicotine does not carry the same adverse effects associated with inhaling combustible cigarette smoke. Tobacco harm reduction (THR) products offer a less harmful alternative for Americans trying to quit smoking, providing options that deliver nicotine without the harmful chemicals in traditional cigarettes. THR products, including those affected by the proposed 2027 budget tax, help millions of smokers quit the deadly habit each year. Between 2005 and 2021, traditional smoking declined by 45 percent, from 20.9 percent (nearly 21 of every 100 adults) to 11.5 percent (nearly 12 of every 100 adults). From 2007 to 2015, more than three million U.S. adults used THR products to quit smoking cigarettes. A March 9, 2023, CDC report found that in 2021, among American adults currently using e-cigarettes, 40.3 percent had formerly smoked cigarettes.<sup>4</sup> As traditional tobacco revenue declines and state budgets tighten, lawmakers are exploring expanding regressive excise taxes to include THR products. Yet nicotine itself poses a small fraction of the health risks associated with traditional tobacco products. Over the past 30 years, the THR approach has helped millions of adult smokers transition to less-harmful alternatives. THR products include e-cigarettes, heat-not-burn systems, smokeless tobacco, and snus.

<sup>1</sup> <https://www.budget.ny.gov/pubs/archive/fy27/ex/fy27bills.html>.

<sup>2</sup> <https://www.cdc.gov/tobacco/about/index.html>.

<sup>3</sup> <https://www.lung.org/quit-smoking/smoking-facts>.

<sup>4</sup> <https://www.cdc.gov/mmwr/volumes/72/wr/mm7210a7.htm>.

Youth smoking rates in the U.S. have reached historic lows, reflecting the success of ongoing THR efforts. Additionally, e-cigarette use among youth has declined significantly in New York. According to the New York State Department of Health, “E-cigarette use has declined sharply [among high school students], from nearly 19% in 2022 to about 13% in 2024.”<sup>5</sup> Additionally, “Any tobacco use among high school students has dropped to 17%, the lowest since tracking began in 2000. ... Cigarette smoking remains low, with just over 2% of students reporting current use.”<sup>6</sup> These encouraging trends highlight that, even as reduced-risk products such as e-cigarettes become increasingly popular among smokers trying to quit cigarettes, youth remain out of harm’s way. Lawmakers must not implement heavy-handed taxes and regulations that would inadvertently limit consumer choice and hinder efforts to lower smoking rates. Instead, lawmakers should focus on regulated, evidence-based approaches to THR.

There is not only a human cost to taxing THR products but also an economic one. New York’s vaping industry has made significant contributions to the state’s economy. In 2023, the industry generated \$776.9 million in added activity, supporting 3,581 jobs, bolstering wages by \$302.6 million, and adding more than \$367.1 million in total tax revenue. Introducing taxes on e-cigarettes threatens to derail this economic progress, putting millions of livelihoods—in addition to lives—at risk.

New York’s already high tobacco taxes have made it the epicenter of black-market activity, putting consumers at risk. Consumers would rather smuggle tobacco products across state lines than pay higher taxes, reducing government revenue and completely undermining the rationale for any tax increase. The Tax Foundation found that 60.9 percent of cigarettes sold in New York State were smuggled from other states.<sup>7</sup> Implementing similar excessive taxation on THR products would be a mistake, bolstering black market sales and limiting the choices of consumers looking to switch to less harmful products.

A 75 percent wholesale tax on “alternative nicotine products” would undermine public health efforts, compromise economic growth, and limit consumer choice. Instead of pursuing this failed policy, lawmakers should focus on evidence-based approaches that promote harm reduction, protect consumer choice, and bolster economic growth. Thank you for your time and attention to this critical issue.

Sincerely,

**[INSERT SIGNATURE]**

Christina Smith  
Consumer Center Director  
Taxpayers Protection Alliance

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<sup>5</sup> [https://www.health.ny.gov/press/releases/2025/2025-10-23\\_youth\\_tobacco\\_use\\_falls.htm](https://www.health.ny.gov/press/releases/2025/2025-10-23_youth_tobacco_use_falls.htm).

<sup>6</sup> *Id.*

<sup>7</sup> <https://taxfoundation.org/data/all/state/cigarette-taxes-and-cigarette-smuggling-state-2013/>.