



May 27, 2026

The Honorable Mike Dunleavy
Governor of Alaska
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

RE: Veto Request (Tax on Nicotine Pouch & Vapor Products) – SB24/HCS CSSB 24(FIN) am H

Dear Governor Dunleavy,

As a consumer advocacy organization that defends consumer choice, affordability, and access to innovative products, we write to you today with concerns about **SB24**, which have arrived at your desk and await your final action.

We believe this legislation would unduly harm consumer choice and affordability, therefore merit your attention as a candidate for your veto power.

Nicotine Pouch & Vapor Tax: SB24 increases the tax burden to 75% of the wholesale price for consumers purchasing these less harmful nicotine alternative products and risks damaging public health by incentivizing your constituents to continue smoking combustible cigarettes.

- ***The result of these taxes*** will make many nicotine alternative products like disposable e-cigarettes, pods, and nicotine pouches **more** expensive than combustible cigarettes. This is a disservice to public health in Alaska as legislation should prioritize improving public health by reducing combustible smoking rates.
- ***Alaska's cigarette smoking rates are already higher than the national average.*** It's estimated that around 15.5% of Alaskans smoke combustible cigarettes, while the national average sits around 9.9%. This legislation does nothing to incentivize current adults who smoke to move towards a less harmful nicotine alternative.
- ***Increasing taxes on nicotine pouches and vapor products*** may be a short term revenue boost for the state, but any gains will likely be lost through government healthcare spending addressing smoking related-illnesses. Currently, Alaska spends around \$100 million annually through Medicaid on health issues caused by smoking combustible cigarettes, amounting to around a \$1,372 tax burden per Alaskan household. With SB24, we can expect these costs to increase.
- ***Taxing less harmful nicotine alternative products at a comparable or higher rate than combustible cigarettes sends a counterproductive message*** to consumers that non-combustible products are equally as dangerous which will disincentivize current adults who smoke to move away from traditional cigarettes.
- ***Instead of embracing policies like SB24, Alaska's public health would benefit from recognizing the continuum of risk of nicotine products***, an approach the FDA has adopted. FDA has authorized multiple e-cigarettes and nicotine pouch products as they have demonstrated they are "appropriate for the protection of public health", and have noted that combustible tobacco is far more dangerous than non-combustible alternatives like nicotine pouch and vapor products.



To the benefit of your constituents and residents in your state, we respectfully urge you to veto SB24/HCS CSSB 24(FIN) am H.

Thank you for your service and for hearing our concerns.

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