

AMERICANS for TAX REFORM

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On behalf of Americans for Tax Reform (ATR) and our supporters across Iowa, I urge you to support SSB 1212—a common-sense, pro-science policy that ensures lower-risk cigarette alternatives, such as heated tobacco products authorized by the Food and Drug Administration (FDA) for public health protection, are taxed at a more appropriate rate than combustible tobacco.

Lawmakers nationwide have been working to reduce taxes, remove burdensome regulations, and foster innovation and consumer choice, all while enacting policies that protect public health. Iowa has been at the forefront of this, with recently passed pro-family, pro-worker legislation to reduce the burden of income taxes. It now has the opportunity to build upon its legacy of prudent fiscal policy by advancing this important legislation.

If enacted, SSB 1212 would not only help consumers—particularly smokers looking to quit—by allowing them to keep more of their hard-earned money, but it would also mark a significant step forward for public health in the Hawkeye State.

SSB 1212 exemplifies the kind of responsible policymaking that benefits both the economy and public health. By recognizing nicotine itself is not carcinogenic and that the harms of smoking arise from the combustion process, lawmakers can help smokers transition to significantly less harmful alternatives. Heated tobacco products, which heat rather than burn tobacco, eliminate nearly all of the negative health effects associated with smoking while retaining key elements that make them effective smoking cessation tools. The FDA has stated unequivocally that these products "could help addicted adult smokers' transition away from combusted cigarettes and reduce their exposure to harmful chemicals," allowing them to be marketed accordingly.

High taxes on cigarettes have long been justified based on their severe public health consequences. However, that rationale does not apply to products scientifically proven to reduce those very consequences. By facilitating smoking cessation, these alternatives improve public health outcomes and reduce state expenditures—particularly within Medicaid and other taxpayer-funded healthcare programs.

Failure to pass SSB 1212 and its companion House bill HSB 321 would create an illogical scenario in which these life-saving products are taxed either at the cigarette tax rate or at the exorbitant Other Tobacco Products (OTP) tax rate of 50%, potentially making them even more expensive than traditional cigarettes. As such, absent passage of this bill, current legislation would discourage smokers from switching to safer alternatives, undermining the very goals of public health taxation.

Furthermore, as lawmakers consider this crucial legislation, ATR urges that its final language be crafted with a forward-thinking approach. It is essential to ensure that not only currently available reduced-risk products but also future innovations in tobacco harm reduction are encompassed within its scope. Given the rapid advancements in technology, good public

policy should be adaptable to new opportunities in this field, preventing the need for frequent legislative revisions to accommodate emerging products.

SSB 1212 is a win-win for Iowa: it helps consumers keep more of their money, promotes better health outcomes, and generates long-term cost savings for the state.

ATR strongly supports SSB 1212 and urges you to vote YES.

Onward,

Grover Norquist