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September 14, 2021

The Honorable Richard Neal, Chairman  
The Honorable Kevin Brady, Ranking Member  
House Ways and Means Committee  
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady,

On behalf of the more than 1 million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I ask that you oppose any tax increase that would impact those making less than \$400,000 annually, including increased taxes on tobacco products, and especially on tobacco harm reduction products.

On May 3, 2021, President Biden gave a [speech](#) at Tidewater Community College in Portsmouth, Virginia regarding the [American Families Plan](#) (AFP) that would “invest” in our nation’s future. Proposals from that plan that are part of the \$3.5 trillion budget reconciliation package currently before your committee include “free” college; paid leave mandates; child and elder care; and federal funding of pre-kindergarten. The President discussed the various taxes he would raise and the “loopholes” he would close on the wealthy to pay for the numerous big-government proposals. He said, “The reason I’m bothering to do this is I keep hearing out in the press, ‘Biden is going to raise your taxes.’ Anybody making less than \$400,000 a year will not pay a single penny in taxes. And we will not increase the deficit either, unlike the last gigantic tax cut, which increased the deficit by \$2 trillion.”

The Ways and Means Committee’s reconciliation package includes numerous new or increases to federal excise taxes on a variety of tobacco products, from small cigarettes, to cigars, to chewing tobacco, to electronic cigarettes. They range from 100 percent for cigarettes to 2,892 percent for snus, and they will hurt millions of Americans, especially those making far less than \$400,000 a year. [According](#) to the Tax Foundation, a “large portion of the new tax burden would fall on low-income Americans, as consumption of tobacco is more common in this group. Moreover, the tax base is increasingly narrow given the decades long decline in tobacco consumption.” For example, pack-a-day smokers in New York state making \$15,000 a year will pay almost 20 percent of their income on tobacco consumption.

CCAGW is particularly disturbed that excise taxes are being added to tobacco harm reduction products for the first time, like vaping products, or increased for other products, like snus or chewing tobacco. Even if a smoker wanted to switch from cigarettes to something less harmful, the increased taxes would provide little incentive to do so. These taxes will also encourage a black market to flourish.

The U.S. should encourage the use of tobacco harm reduction products, like Public Health England has done, instead of taxing them. The British health agency understands that smoking remains the single largest cause of preventable death and [encourages](#) smokers to switch to regulated nicotine vaping products to stop smoking. In Sweden, where snus is used, the risk of a man dying from a tobacco-related illness is [less](#) than any other European country.

Again, I ask that you oppose any tax increase on tobacco products, particularly tobacco harm reduction products. Doing otherwise will hurt millions of Americans, especially those using tobacco harm reduction products to wean themselves off smoking.

Sincerely,

A handwritten signature in black ink that reads "Tom Schatz". The signature is written in a cursive, slightly slanted style.

cc: House Ways and Means Committee Members