



Coalition of Manufacturers of Smoking Alternatives

Written Testimony on Oregon House Bill 2528

*RELATING TO PUBLIC HEALTH; PRESCRIBING AN EFFECTIVE DATE; PROVIDING FOR REVENUE
RAISING THAT REQUIRES APPROVAL BY A THREE-FIFTHS MAJORITY.*

**Submitted to the House Committee on Revenue by Brittani Cushman, President of the Coalition of
Manufacturers of Smoking Alternatives**

May 13, 2025

Good afternoon, Chair Nathanson and members of the Committee on Revenue.

On behalf of the Coalition of Manufacturers of Smoking Alternatives (CMSA), thank you for the opportunity to provide comment against HB 2528, which would impose a new tax on nicotine pouches of 65% of the wholesale price. Imposing such a high tax on nicotine pouches is counterproductive to both the public health and the fiscal goals of Oregon, and we urge the Committee not to advance this legislation.

CMSA is a trade coalition group that represents responsible manufacturers of smoking alternatives committed to regulatory compliance and a level playing field for compliant members of industry. CMSA members focus on products that are considered potentially reduced risk, like the modern oral nicotine pouch products affected by HB 2528, and share the important goal of preventing youth access and appeal through responsible marketing practices.

Public health authorities, including the U.S. Food and Drug Administration (FDA), have acknowledged that while not risk free, the health risks for different tobacco products exist on a spectrum, or continuum of risk. Regarding nicotine pouches, FDA states, "For adults who smoke, switching completely from cigarettes to nicotine pouches may reduce exposure to many harmful chemicals found in cigarettes."¹ FDA has authorized 20 nicotine pouch products as "appropriate for the protection of public health" after extensive scientific review² and is currently evaluating many more products that await authorization. Also of note, FDA has not observed high levels of use among youth with these products. The most recent National Youth Tobacco Survey found that youth tobacco use has sunk to its lowest levels in the survey's history – and that only 1.8% of young people reported using nicotine pouches.³

Fundamentally, HB 2528 violates the principles of tobacco harm reduction and risk-proportionate taxation. Tobacco tax policy should be based on science, risk level, and common sense to ensure adult smokers who have not quit have access to potentially reduced risk

¹ FDA: The Relative Risks of Tobacco Products, <https://www.fda.gov/tobacco-products/health-effects-tobacco-use/relative-risks-tobacco-products>

² FDA News Release: FDA Authorizes Marketing of 20 ZYN Nicotine Pouch Products after Extensive Scientific Review, <https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-20-zyn-nicotine-pouch-products-after-extensive-scientific-review>

³ FDA: Results from the Annual National Youth Tobacco Survey, <https://www.fda.gov/tobacco-products/youth-and-tobacco/results-annual-national-youth-tobacco-survey>

alternatives. To encourage smokers to move down the continuum of risk, the most harmful products ought to be taxed at the highest rate, while lower-risk alternatives should be taxed at a much lower rate. HB 2528 would impose a new tax on nicotine pouches of 65% of the wholesale price, grouping nicotine pouches with other forms of tobacco, including combustible and tobacco leaf-containing products that are widely acknowledged to be more harmful.

Critically, imposing high taxes on potentially less harmful products would most hurt those adults in Oregon who have switched or are considering switching to an alternative. Over 360,000 adult Oregonians continue to smoke cigarettes, and 5,500 of the state's adults die every year from smoking-related illnesses.⁴ Consumer behavior is directly influenced by the choices made by policymakers—and imposing ultra-high taxes on smoke-free nicotine products sends the wrong message to adult smokers who might otherwise consider switching to potentially reduced risk products like nicotine pouches.

Moreover, disincentivizing adult smokers from switching to potentially reduced risk alternatives will ultimately harm Oregon's financial health, in addition to the state's public health. Smoking-related monetary costs remain high in Oregon, accounting for \$1.79 billion in health care costs and \$373.6 million in Medicaid costs every year. In addition, smoking-related productivity losses in Oregon amount to an estimated \$3.7 billion.⁵ Any short-term revenue gains from taxing nicotine pouches will be far outweighed by the long-term associated health care costs of continued smoking in the Beaver State.

HB 2528 contains unsound fiscal policy that will encourage current adult smokers to continue smoking instead of switching to potentially less harmful nicotine pouches. We respectfully urge you not to advance this legislation, and CMSA stands ready to work with the Committee on alternative solutions to the state's budget challenges.

Thank you very much for your time.

⁴ Campaign for Tobacco-Free Kids: The Toll of Tobacco in Oregon, <https://www.tobaccofreekids.org/problem/toll-us/oregon>

⁵ *Ibid.*