

# Testimony of the Independent Vapor Outlets of Michigan on Senate Bill 1018

September 16, 2014

Dear Senator:

**We write to you today to ask you to oppose Senate Bill 1018, which would add a new tax to the sale of vapor products, weigh down our small businesses with paperwork, and inhibit or remove our ability to grow and prosper within the State of Michigan.**

The Independent Vapor Outlets of Michigan (IVO-MI) is a coalition of Michigan-based businesses that manufacture, wholesale, or sell vapor products, of which one common type are electronic cigarettes ('e-cigarettes'). Our small businesses employ hundreds of Michigan citizens, serve Michigan consumers directly, pay state and local taxes, and occupy storefronts, office buildings, and production labs.

The companies represented in this letter consider themselves technology companies, *not* tobacco companies. We sell products that are smoke-free, tobacco-free, and increasingly being recognized as smarter alternatives to combustible cigarettes and the 4,000 plus chemicals that they emit when smoked. Our customers – the majority of whom are middle-aged smokers looking to transition away from combustible cigarettes – are passionate about our products. We are proud to be a part of an industry that is separate from the cigarette and tobacco industries.

Enactment of SB 1018 would destroy that division by requiring our businesses to obtain a tobacco license to sell our tobacco-free products. We would be mandated to purchase our products only through licensed tobacco wholesalers and distributors, a segment that is dominated by businesses whose primary clients are tobacco companies. While the tobacco industry and their associates can easily afford to comply with the regulatory burdens brought by tobacco tax licensing, the same cannot be said for all our businesses. Businesses may be forced to close or lay off employees, and cost conscious consumers may seek out products from out-of-state retailers on the Internet or through cross-border sales.

**We are very concerned that tobacco lobbyists have created the impression that the vapor product industry supports the new taxes contained in SB 1018.** This is false. Indeed, SB 1018 is the result of an alliance between two tobacco companies that derive 90%+ of their revenue from the sale of combustible cigarettes – Altria and R.J. Reynolds. In effect, Altria and Reynolds are asking the Legislature to cut taxes on their smokeless tobacco 'snuff' products while simultaneously instituting a new tobacco tax on non-tobacco competitors that will protect them from competition and increase their profits.

SB 1018 is wrong for Michigan and should be viewed for what it is -- a tax deal designed at its inception to benefit Big Tobacco at the expense of their small business competitors. Please stand with our businesses, employees, and customers and oppose SB 1018.

Sincerely,

Matthew Allos  
Vape Super Center  
Macomb & Troy, MI

William Amato & Christine Fallon  
Vape Escape  
Monroe & Ypsilanti, MI

Patrick Ayar  
Vapor Inc.  
Fenton, MI

Michael Rush Bearden  
The Vape Select  
Garden City, MI

James Bearup  
Kalamazoo Vapor Shop  
Kalamazoo (two locations), Grand Rapids, Lincoln Park & Lansing, MI

Steven & Amanda Cesnick  
Patriot Vapes  
Howell, Canton & Sterling Heights, MI

Daniel Conner  
I Vape Clouds, LLC  
Novi, MI

Thomas & David Davis  
Just Vapors, LLC  
Westland, MI

Lee Dorchak  
Vaper Villa, LLC  
Sterling Heights, MI

Sophal Duch  
Holland Vapors, LLC  
Holland, MI

Alice Engelman  
Allycat Inc. / Cig-Free Vape Shop

Midland, MI

Robert Gorecki  
Knight Vapor, LLC  
Macomb, MI

Mohamad Fahs  
Cloudhunterz, LLC.  
Dearborn Heights, MI

Jay Fisher  
Great Lakes Vapor  
Farmington & Brighton, MI

Wladimir Foo  
Ahlusion, LLC  
Swartz Creek, Flint Township, Fenton & Ferndale, MI

Vaughn Jurgens  
Grand Rapids E-Liquid  
Grand Rapids (three locations), Caledonia, Grandville & Allendale, MI

Leonard Kincaid, R.N.  
Vaporcraft  
Clawson, MI

Matthew Kirkpatrick  
Tarot Labs Inc.  
Commerce Township & Taylor, MI

Jeffrey Kohr  
Kohr Enterprises, LLC, dba Boosted Vapor (franchisee)  
Clinton Township & Westland, MI

Zenia Lage  
Millenium Vapes  
Royal Oak, MI

Trevor Lawson  
E-Star Vapor, LLC  
Greenville, MI

Dan Lawitzke  
Mister-E-Liquid, LLC, Mister E's Vape Shop & Carbon Method Vaping Technologies  
Grand Rapids, Kentwood & Okemos, MI

Traci Leone  
White Lion Vapors, LLC  
Flint, MI

Patrick Lockhart  
Red 13, LLC  
Ann Arbor, MI

Michael Lowery  
NatureVaper Corp.  
Grand Rapids & Lowell, MI

Daniel McGough  
Great Lakes Vapes, LLC  
Ypsilanti, MI

Tammy O'Guin  
Metro Vapor Plus, LLC  
Turner, MI

Scott W. Neal, Esq.  
DIY Vapor Supply, LLC  
Waterford, MI

Jack & Jennifer Nicholson  
First Vapor  
Allegan, MI

Jimmy Payne  
Esvape Enterprises  
Southgate, MI

Jay Poma  
Powervape  
Clinton Township, MI

Jacob & Samantha Scott  
Digital Vapor Den I, LLC & Digital Vapor Den II, LLC  
Saint Joseph & Coloma, MI

Dan T. Sears  
Joost Vapor, LLC  
Grand Rapids (4 locations), Holland & Grand Haven, MI

Nathan Sitto  
Smoker Pros, LLC

Macomb Township, MI

Brian A. Smith  
River Bottom Fog Sauce, LLC  
Deerfield, MI

Dale Smith  
Ace of Vapes, LLC  
Westland, MI

Anne Switala  
Smokin' Vapor, LLC  
Bay City, MI

Dwayne Taylor  
Motor City Vapor, LLC  
White Lake, MI

Vincent Vielhaber  
Michigan VHF Corp.  
Oxford, MI

M. Daniel Walsh  
Purebacco USA, LLC  
Gaylord, MI

Sinan Ziya  
Vapors Outlet, LLC  
Warren, MI