

Executive Summary: Health Impact Review of HB 1550

Concerning methods to prevent nicotine addiction (2021 Legislative Session)

Evidence indicates that HB 1550 would likely increase the price of vapor products for consumers, which would decrease purchasing and use of vapor products (particularly among adolescents and young adults) and improve health outcomes. The impacts on equity are unclear.

BILL INFORMATION

Sponsors: Pollet, Cody, Callan, Taylor, Duerr, Ryu, Valdez and Senn

Summary of Bill:

- Imposes a business and occupation surcharge of 4.4% on manufacturers, processors for hire, and distributors of vapor products and tobacco products.
- Replaces the variable milliliter tax imposed on vapor products distributors with a vapor product excise tax of 33%^A of the selling price.
- Modifies the account distribution for receipts of the vapor products tax revenues.

HEALTH IMPACT REVIEW

Summary of Findings:

This Health Impact Review found the following evidence for the specified provision in HB 1550:

- **Informed assumption** that changing the surcharge and tax on businesses distributing vapor products will increase the price of vapor products for consumers. This assumption is based on provisions of the bill and information from the Department of Revenue.
- **A fair amount of evidence** that increasing the price of vapor products for consumers will decrease purchasing and use of vapor products, particularly among adolescents and young adults.
- **Very strong evidence** that decreasing purchasing and use of vapor products among adolescents and young adults will likely improve health outcomes for these individuals.
- **Unclear evidence** of how changing the surcharge and excise tax imposed on vapor products would impact health inequities as there is limited research looking at the impact of imposing a value-based tax on vapor products by subpopulations or communities and since other factors, such as the price of vapor products on tribal lands, may influence how this bill impacts inequities.

FULL REVIEW

For review methods, logic model, strength-of-evidence analyses, and citations of empirical evidence refer to the full Health Impact Review at

<https://sboh.wa.gov/Portals/7/Doc/HealthImpactReviews/HIR-2021-12-HB1550.pdf>

^A [1550 AMH FIN HARA 287](#) changes the vapor products tax rate from 45% (as proposed in the original bill) to 33%. Prior to completing the HIR, Representative Pollet requested the review use a tax rate of 33%. The amendment was proposed, but not yet adopted, at the time this HIR was completed.

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