

Pilon, Janet

Subject: Proposed Municipal Excise Tax on Vaping Products

From: mikael m

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To: clerk@hamilton.ca

Subject: Proposed Municipal Excise Tax on Vaping Products

To the Mayor and Members of Hamilton City Council,

Thank you for the opportunity to comment on the proposal to introduce a municipal excise tax on vaping products sold in Hamilton. Based on the latest market data, public-health research, and the lived experience of compliant local retailers, we believe the tax will do more harm than good. My key concerns are outlined below.

1. Increase Illicit Activity and Gang Presence

Competitive edge for the illegal market

A higher tax widens the price gap between regulated and unregulated products, making untaxed, untested devices more attractive to price-sensitive consumers.

Expansion of organized-crime revenues

Profits from illicit vape sales do not stop at e-liquids; they are commonly reinvested in narcotics, firearms, and human-trafficking operations, strengthening gangs that already have a foothold in the GTHA.

Greater community risk, weaker legitimate businesses

Law-abiding vape shops—many of them family-run—lose customers to cut-rate street or online sellers, while criminal groups gain cash flow and influence. The result is more contraband, more youth exposure to uncontrolled products, and heavier policing costs for the city.

2. Vaping Is Already Taxed More Heavily Than Cigarettes

Ontario's combined federal–provincial excise burden on vaping products is 182 % of the pre-tax price, versus 168 % for combustible cigarettes. Imposing an additional municipal levy would mean that the very tool Health Canada identifies as a lower-risk alternative for adult smokers becomes the most punitively taxed nicotine product on the shelf.

3. Tax Hikes Do Not Curb Youth Vaping—Education Does

Peer-reviewed studies and Health Canada's own "Consider the Consequences" program show that youth-specific education and parental engagement reduce experimentation far more effectively than price controls. Fiscal measures simply drive under-age users toward unregulated suppliers.

4. Out-of-Date Data Has Been Cited

During the General Issues Committee meeting, youth-vaping rates from 2019 were referenced. However, Statistics Canada's Canadian Health Survey on Children and Youth (released 7 March 2025) shows a >40 % decline in vaping among 12- to 17-year-olds since 2020. Policy decisions that could shutter small businesses should rest on current, not historical, evidence.

Recommendations

Pause the tax proposal until an impact assessment on illicit trade and public safety is completed in collaboration with Hamilton Police Service and the Ontario Anti-Contraband Enforcement Team.

Amplify evidence-based youth-prevention programs already developed by Health Canada.

Create a compliance working group of public-health officials, retailers, and law-enforcement to monitor market trends and recommend non-fiscal interventions.

A municipal vape tax risks empowering criminal networks while penalizing adult smokers who are trying to choose a less harmful product. I urge Council to reconsider this measure in favour of education-led strategies that protect youth, support small business, and keep illegal operators at bay.

From the perspective of a vape user and long time small business owner not in the vape industry.

Respectfully submitted,

Mikael Moledina