

The Economic Impact of a Ban on
Flavored Vapor Products
in the States of Louisiana, Mississippi and Texas

Prepared for the Vapor Technology Association

By

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The Economic Impact of a Ban on Flavored Vapor Products in the States of Louisiana, Mississippi and Texas

John Dunham & Associates (JDA) has examined the economic impact of a ban on flavored vapor products on the economy of the states of Louisiana, Mississippi, and Texas. Such a ban would have a devastating effect on the vapor sector in each of those state's economies, while at the same time benefitting vapor suppliers in surrounding states.

Based on this analysis:

A flavor ban in these three states would be the loss of 12,430 FTE positions across the entire US economy. The overall cost to the US economy would be \$2.4 billion.

Almost 11,300 FTE positions would be lost in Louisiana, Mississippi and Texas. The economies of these three states would be over \$2.2 billion smaller than they would be if flavored and menthol vapor products continue to be sold.

A ban on just non-menthol flavored products in these three states would be the loss of nearly 11,350 FTE positions across the entire US economy. The overall cost to the US economy would be \$2.2 billion.

Looking at the three states alone, the total loss in jobs would be 10,340 FTE positions, with a loss of \$2.0 billion to the state economies.

A ban on flavored open-system (liquids) products in these three states would be the loss of just over 2,950 FTE positions across the US economy. The overall cost to the US economy would be about \$745.7 million.

The economies of these three states would lose just over 6,660 jobs, with an economic loss of about \$1.3 billion.

Table 1 below estimates the extreme case where all flavored and menthol vapor products (both open and closed systems) are banned in each of the three states, and then in combination across all states in the US.

Table 1
Impact of a ban on flavored and menthol vapor products

United States					
Current	Direct	Supplier	Induced	Total	
Current Jobs	66,357	28,089	39,109	133,555	
Current Wages	\$ 2,741,178,172	\$ 2,018,272,890	\$ 2,243,795,420	\$ 7,003,246,482	
Current Output	\$ 8,087,437,404	\$ 6,879,165,257	\$ 7,124,241,153	\$ 22,090,843,815	
With Proposal	Direct	Supplier	Induced	Total	
New Jobs	60,241	25,390	35,494	121,125	
New Wages	\$ 2,509,711,979	\$ 1,824,510,257	\$ 2,050,706,028	\$ 6,384,928,264	
New Output	\$ 7,395,150,577	\$ 5,816,491,597	\$ 6,454,063,779	\$ 19,665,705,953	
Change	Direct	Supplier	Induced	Total	
Jobs Change	(6,116)	(2,699)	(3,614)	(12,429)	
Wages Change	\$ (231,466,193)	\$ (193,762,632)	\$ (193,089,392)	\$ (618,318,218)	
Output Change	\$ (692,286,828)	\$ (1,062,673,660)	\$ (670,177,374)	\$ (2,425,137,862)	

Louisiana					
Current	Direct	Supplier	Induced	Total	
Current Jobs	823	328	418	1,569	
Current Wages	\$ 27,297,416	\$ 22,498,047	\$ 19,729,544	\$ 69,525,007	
Current Output	\$ 84,372,711	\$ 184,209,915	\$ 81,652,096	\$ 350,234,722	
With Proposal	Direct	Supplier	Induced	Total	
New Jobs	80	32	62	173	
New Wages	\$ 5,213,994	\$ 2,177,119	\$ 2,928,445	\$ 10,319,558	
New Output	\$ 8,164,682	\$ 17,825,851	\$ 12,119,575	\$ 38,110,108	
Change	Direct	Supplier	Induced	Total	
Jobs Change	(743)	(296)	(356)	(1,395)	
Wages Change	\$ (22,083,422)	\$ (20,320,928)	\$ (16,801,099)	\$ (59,205,449)	
Output Change	\$ (76,208,030)	\$ (166,384,065)	\$ (69,532,520)	\$ (312,124,615)	

Mississippi					
Current	Direct	Supplier	Induced	Total	
Current Jobs	737	230	305	1,273	
Current Wages	\$ 17,508,176	\$ 10,575,581	\$ 11,293,456	\$ 39,377,214	
Current Output	\$ 55,665,722	\$ 47,017,594	\$ 43,756,630	\$ 146,439,946	
With Proposal	Direct	Supplier	Induced	Total	
New Jobs	62	19	36	118	
New Wages	\$ 2,445,077	\$ 894,710	\$ 1,343,045	\$ 4,682,831	
New Output	\$ 4,709,402	\$ 3,977,758	\$ 5,203,642	\$ 13,890,802	
Change	Direct	Supplier	Induced	Total	
Jobs Change	(675)	(211)	(269)	(1,155)	
Wages Change	\$ (15,063,099)	\$ (9,680,871)	\$ (9,950,412)	\$ (34,694,383)	
Output Change	\$ (50,956,319)	\$ (43,039,836)	\$ (38,552,988)	\$ (132,549,144)	

Texas					
Current	Direct	Supplier	Induced	Total	
Current Jobs	4,784	2,234	3,000	10,019	
Current Wages	\$ 188,394,068	\$ 166,603,274	\$ 165,218,946	\$ 520,216,288	
Current Output	\$ 562,217,429	\$ 903,136,474	\$ 564,136,506	\$ 2,029,490,409	
With Proposal	Direct	Supplier	Induced	Total	
New Jobs	526	246	500	1,271	
New Wages	\$ 40,821,906	\$ 18,313,659	\$ 27,522,222	\$ 86,657,787	
New Output	\$ 61,801,055	\$ 99,276,158	\$ 93,974,030	\$ 255,051,243	
Change	Direct	Supplier	Induced	Total	
Jobs Change	(4,258)	(1,989)	(2,501)	(8,747)	
Wages Change	\$ (147,572,161)	\$ (148,289,615)	\$ (137,696,724)	\$ (433,558,501)	
Output Change	\$ (500,416,375)	\$ (803,860,316)	\$ (470,162,475)	\$ (1,774,439,166)	

As the table shows, the overall cost of the ban in these three states would be the loss of 12,430 FTE positions across the entire US economy.¹ These jobs would have paid \$618.3 million in wages and benefits. The overall cost to the US economy would be \$2.4 billion. These losses reflect the impact of increased cross-border sales from states where flavored vapor products are not banned; in addition, they also account for lost sales that had previously been purchased by consumers in other states from outlets in the three states considering a ban.

Looking at the three states in a vacuum, the total loss in jobs would be almost 11,300 FTE positions, paying \$527.5 million in wages and benefits. The economies of these three states would be over \$2.2 billion smaller than they would be if flavored and menthol vapor products continue to be sold.²

A ban on these products in Louisiana, Mississippi and Texas would encourage consumers to react in some combination of four different ways. Some, though likely very few, would stop consuming any vapor products. A larger percentage would switch from flavored vapor products to unflavored (or *tobacco flavored*) products. Some consumers would stop vaping and return to smoking combustible cigarettes or begin to consumer other flavored products such as cigars or moist snuff. Finally, the models and data from other states that have banned these products suggest that many consumers would simply turn to sources outside of the jurisdiction of the three states. These could be other states, Federal jurisdictions such as military bases, or simply purchase their products on-line.³

The impacts would be similarly substantial if just flavored products (not including menthol) were banned across the three jurisdictions. Table 2 on the following page outlines these impacts.

As the table below shows, the overall cost of the ban on just non-menthol flavored products in these three states would be the loss of nearly 11,350 FTE positions across the entire US economy. These jobs would have paid almost \$563.7 million in wages and benefits. The overall cost to the US economy would be \$2.2 billion. Looking at the three states alone, the total loss in jobs would be 10,340 FTE positions, paying about \$482.6 million in wages and benefits. The cost to the economies of these three states would be about \$2.0 billion.⁴

Table 2
Impact of a ban on flavored vapor products (except for menthol)

United States						Louisiana					
Current	Direct	Supplier	Induced	Total		Current	Direct	Supplier	Induced	Total	
Current Jobs	66,357	28,089	39,109	133,555		Current Jobs	823	328	418	1,569	
Current Wages	\$ 2,741,178,172	\$ 2,018,272,890	\$ 2,243,795,420	\$ 7,003,246,482		Current Wages	\$ 27,297,416	\$ 22,498,047	\$ 19,729,544	\$ 69,525,007	
Current Output	\$ 8,087,437,404	\$ 6,879,165,257	\$ 7,124,241,153	\$ 22,090,843,815		Current Output	\$ 84,372,711	\$ 184,209,915	\$ 81,652,096	\$ 350,234,722	
With Proposal	Direct	Supplier	Induced	Total		With Proposal	Direct	Supplier	Induced	Total	
New Jobs	60,772	25,624	35,813	122,209		New Jobs	143	57	92	292	
New Wages	\$ 2,530,407,835	\$ 1,841,361,151	\$ 2,067,789,934	\$ 6,439,558,920		New Wages	\$ 7,092,063	\$ 3,900,403	\$ 4,355,343	\$ 15,347,810	
New Output	\$ 7,455,513,909	\$ 5,907,906,548	\$ 6,513,106,608	\$ 19,876,527,065		New Output	\$ 14,627,385	\$ 31,935,792	\$ 18,024,893	\$ 64,588,070	
Change	Direct	Supplier	Induced	Total		Change	Direct	Supplier	Induced	Total	
Jobs Change	(5,585)	(2,465)	(3,296)	(11,346)		Jobs Change	(680)	(271)	(326)	(1,277)	
Wages Change	\$ (210,770,337)	\$ (176,911,739)	\$ (176,005,486)	\$ (563,687,562)		Wages Change	\$ (20,205,353)	\$ (18,597,644)	\$ (15,374,201)	\$ (54,177,198)	
Output Change	\$ (631,923,495)	\$ (971,258,710)	\$ (611,134,545)	\$ (2,214,316,750)		Output Change	\$ (69,745,327)	\$ (152,274,124)	\$ (63,627,203)	\$ (285,646,653)	
Mississippi						Texas					
Current	Direct	Supplier	Induced	Total		Current	Direct	Supplier	Induced	Total	
Current Jobs	737	230	305	1,273		Current Jobs	4,784	2,234	3,000	10,019	
Current Wages	\$ 17,508,176	\$ 10,575,581	\$ 11,293,456	\$ 39,377,214		Current Wages	\$ 188,394,068	\$ 166,603,274	\$ 165,218,946	\$ 520,216,288	
Current Output	\$ 55,665,722	\$ 47,017,594	\$ 43,756,630	\$ 146,439,946		Current Output	\$ 562,217,429	\$ 903,136,474	\$ 564,136,506	\$ 2,029,490,409	
With Proposal	Direct	Supplier	Induced	Total		With Proposal	Direct	Supplier	Induced	Total	
New Jobs	120	37	59	216		New Jobs	887	414	712	2,014	
New Wages	\$ 3,724,032	\$ 1,715,415	\$ 2,187,391	\$ 7,626,838		New Wages	\$ 53,383,238	\$ 30,893,659	\$ 39,223,223	\$ 123,500,120	
New Output	\$ 9,029,273	\$ 7,626,501	\$ 8,475,072	\$ 25,130,847		New Output	\$ 104,253,374	\$ 167,470,840	\$ 133,926,845	\$ 405,651,060	
Change	Direct	Supplier	Induced	Total		Change	Direct	Supplier	Induced	Total	
Jobs Change	(618)	(193)	(246)	(1,057)		Jobs Change	(3,897)	(1,820)	(2,288)	(8,005)	
Wages Change	\$ (13,784,145)	\$ (8,860,166)	\$ (9,106,066)	\$ (31,750,376)		Wages Change	\$ (135,010,830)	\$ (135,709,615)	\$ (125,995,722)	\$ (396,716,167)	
Output Change	\$ (46,636,449)	\$ (39,391,092)	\$ (35,281,558)	\$ (121,309,099)		Output Change	\$ (457,964,055)	\$ (735,665,634)	\$ (430,209,660)	\$ (1,623,839,349)	

¹ The 2021 Economic Impact Study of the Vapor Industry, Prepared for: Vapor Technology Association, John Dunham & Associates, Inc., September 20th, 2021, at: <https://vaportechnology.org/value-of-vapor/>

² Prepared for the Vapor Technology Association by John Dunham & Associates, 2022. See methodology section,

³ The lower impact in the three states suggest that many consumers who reside in other states currently purchase these flavored vapor products from sources in Louisiana, Mississippi and Texas. A ban would eliminate these sales as well.

⁴ Ibid.

These losses are slightly larger since there is still an option to switch to menthol product.

The vast majority of flavored products are what are called open-systems, which consist of refillable devices and liquids that are heated to produce vapor. Flavored open system products are still permitted by the Federal Government. The impacts would be smaller, although still substantial if flavored products were just banned for open system products across the three states.

Table 3 outlines the impact of such a ban in Louisiana, Mississippi and Texas. As the tables below show, the overall cost of the ban on flavored open-system (liquids) products in these three states would be the loss of just over 2,950 FTE positions across the US economy. These jobs would have paid \$140.8 million in wages and benefits. The overall cost to the economy would be about \$745.7 million. The economies of these three states would lose just over 6,660 jobs, paying nearly \$313.1 million in wages and benefits. The economic loss to the three states would be about \$1.3 billion. In this case, the losses in the three states where the products would be banned are greater than the national figure since many of the current in-state vapor product users would simply purchase their flavored products from other states or jurisdictions.

Table 3
Impact of a ban on flavored vapor products – open systems

United States				
Current	Direct	Supplier	Induced	Total
Current Jobs	66,326	28,075	39,091	133,493
Current Wages	\$ 2,739,921,859	\$ 2,017,477,748	\$ 2,242,928,356	\$ 7,000,327,963
Current Output	\$ 8,083,176,042	\$ 6,876,478,487	\$ 7,121,281,292	\$ 22,080,935,821
With Proposal	Direct	Supplier	Induced	Total
New Jobs	64,962	27,384	38,194	130,540
New Wages	\$ 2,689,182,799	\$ 1,968,065,636	\$ 2,202,236,392	\$ 6,859,484,827
New Output	\$ 7,933,553,112	\$ 6,451,907,536	\$ 6,949,782,128	\$ 21,335,242,776
Change	Direct	Supplier	Induced	Total
Jobs Change	(1,365)	(691)	(897)	(2,953)
Wages Change	\$ (50,739,061)	\$ (49,412,112)	\$ (40,691,964)	\$ (140,843,136)
Output Change	\$ (149,622,930)	\$ (424,570,951)	\$ (171,499,164)	\$ (745,693,045)

Louisiana				
Current	Direct	Supplier	Induced	Total
Current Jobs	823	328	418	1,569
Current Wages	\$ 27,297,416	\$ 22,498,047	\$ 19,729,544	\$ 69,525,007
Current Output	\$ 84,372,711	\$ 184,209,915	\$ 81,652,096	\$ 350,234,722
With Proposal	Direct	Supplier	Induced	Total
New Jobs	429	171	230	830
New Wages	\$ 15,618,115	\$ 11,737,539	\$ 10,838,630	\$ 38,194,284
New Output	\$ 44,018,398	\$ 96,104,834	\$ 44,856,425	\$ 184,979,658
Change	Direct	Supplier	Induced	Total
Jobs Change	(393)	(157)	(189)	(739)
Wages Change	\$ (11,679,301)	\$ (10,760,508)	\$ (8,890,914)	\$ (31,330,724)
Output Change	\$ (40,354,313)	\$ (88,105,081)	\$ (36,795,670)	\$ (165,255,064)

Mississippi				
Current	Direct	Supplier	Induced	Total
Current Jobs	737	230	305	1,273
Current Wages	\$ 17,508,176	\$ 10,575,581	\$ 11,293,456	\$ 39,377,214
Current Output	\$ 55,665,722	\$ 47,017,594	\$ 43,756,630	\$ 146,439,946
With Proposal	Direct	Supplier	Induced	Total
New Jobs	394	123	169	686
New Wages	\$ 9,854,640	\$ 5,654,848	\$ 6,236,905	\$ 21,746,393
New Output	\$ 29,764,910	\$ 25,140,686	\$ 24,164,962	\$ 79,070,558
Change	Direct	Supplier	Induced	Total
Jobs Change	(343)	(107)	(137)	(587)
Wages Change	\$ (7,653,537)	\$ (4,920,733)	\$ (5,056,551)	\$ (17,630,821)
Output Change	\$ (25,900,812)	\$ (21,876,908)	\$ (19,591,668)	\$ (67,369,388)

Texas				
Current	Direct	Supplier	Induced	Total
Current Jobs	4,784	2,234	3,000	10,019
Current Wages	\$ 188,394,068	\$ 166,603,274	\$ 165,218,946	\$ 520,216,288
Current Output	\$ 562,217,429	\$ 903,136,474	\$ 564,136,506	\$ 2,029,490,409
With Proposal	Direct	Supplier	Induced	Total
New Jobs	2,185	1,021	1,477	4,683
New Wages	\$ 98,647,234	\$ 76,107,009	\$ 81,332,192	\$ 256,086,435
New Output	\$ 256,829,810	\$ 412,567,019	\$ 277,707,004	\$ 947,103,834
Change	Direct	Supplier	Induced	Total
Jobs Change	(2,598)	(1,214)	(1,523)	(5,336)
Wages Change	\$ (89,746,834)	\$ (90,496,264)	\$ (83,886,754)	\$ (264,129,852)
Output Change	\$ (305,387,619)	\$ (490,569,454)	\$ (286,429,501)	\$ (1,082,386,575)

Flavored closed system vapor products are, in many cases, already banned at the Federal level, meaning that a statewide or local ban would likely have a small impact.

Not only would these bans lead to losses in employment, but taxes at both the state and federal levels would fall as well. Lost job and corporate activity would lead to reductions in taxes paid by businesses and workers. This includes reductions in income taxes, profits taxes, social security payments, and even property taxes. Table 4 on the following page outlines the estimated tax losses resulting from the bans examined in this report.

It should be noted that the analysis of the open-system flavor ban does not include offsetting revenues from additional closed-system sales. As people in these three states no longer have access to flavored open-system vapor products, some would shift to purchasing closed system products.

While large national companies and integrated tobacco companies that also produce vapor products will not be impacted significantly by the proposed flavor bans, smaller companies, including adult-only vapor retailers in the three states will bear most of the brunt of the economic losses. In Louisiana there are approximately 141 specialty vape shops, there are

125 in Mississippi, and 772 in Texas. It is likely that all of these small businesses would have to close following a ban on flavored vapor products.

Table 4
Estimated fiscal impact of various ban scenarios

Flavored and Menthol both Open, and Closed-System				
	Federal Taxes		State Taxes	
United States	\$	(49,046,914)	\$	(41,737,426)
Louisiana	\$	(3,199,321)	\$	(3,611,987)
Mississippi	\$	(4,235,680)	\$	(5,615,511)
Texas	\$	(35,904,274)	\$	(27,347,555)

Flavor only (Not Menthol) both Open and Closed-System				
	Federal Taxes		State Taxes	
United States	\$	(48,960,098)	\$	(41,649,807)
Louisiana	\$	(3,422,306)	\$	(3,863,734)
Mississippi	\$	(4,128,982)	\$	(5,474,053)
Texas	\$	(36,064,080)	\$	(27,469,277)

Flavored (Not Menthol) Open-System Only				
	Federal Taxes		State Taxes	
United States	\$	(72,469,833)	\$	(59,208,962)
Louisiana	\$	(11,951,241)	\$	(13,492,779)
Mississippi	\$	(7,640,792)	\$	(10,129,884)
Texas	\$	(96,325,258)	\$	(73,368,991)

Demand Model Methodology

JDA's Regulatory Assessment Model (RAM) is an updated version of a multi-market demand model first developed by the American Economics Group (AEG) under contract with Philip Morris. It was completely rebuilt by Dr. Hyeyeon Park in 2001, and its structure was updated by JDA in 2019. The model was presented to the National Conference of State Legislatures, Senior Fiscal Analysts Seminar in Portland Maine, on September 4, 1999, where it was well received. In fact, at that time many state fiscal analysts asked if the model could be made available to them as a forecasting tool. The results from the model were also presented to the Tax Foundation Excise Tax Seminar, held in Jacksonville, Florida, on January 12, 2001, as part of a larger discussion on the economic impact of tobacco taxes.

Since then, the RAM model has been modified to work with nearly any product or market. It is designed to measure product sales in a multi-state market structure with differential pricing. The general methodology is a two-stage estimation of the demand equation linked to a non-linear programming model of import and export patterns. Data for the model comes from the 2021 Economic Impact Model of the Vapor Industry, as well as from the US Census Bureau, the Bureau of Economic Analysis, US Department of Labor and JDA research. Caliper Corporation was used to estimate distances between states.

Estimates on what sales should be in each state are developed first. In this case, both demand and prices come directly from the Impact model. If cross-border sales were observable, the calculations would be complete; however, since they are not, the model must estimate them through non-linear programming techniques that solve the 51 demand functions simultaneously. The model adjusts the cross-price elasticities between states to balance the actual sales with expected demand.

Demand elasticities are calculated using a logarithmic demand curve with a base of -0.671 which is an average for vapor products.⁵

⁵ See: Gallaway, Michael, et. al., *Short-run and long-run industry-level estimates of US Armington elasticities*, *North American Journal of Economics and Finance*, March 2003.

Once the linear program model balances, the model can be *shocked* with either new prices or demand values. By rebalancing the model following the shock, it is possible to calculate demand response estimates across all states (as well as cross-border sales changes).

Revenue and job impacts can then be estimated through linear extrapolation.

Explanation of Economic Impact Terms

Direct Impact Categories:

The direct impacts of this study were divided up into the categories of the vapor industry. The vapor industry (as defined in this study) includes manufacturers of E-liquids, coils, box mods and other vape products, wholesalers, and retailers that sell vapor products such as; vape shops, convenience stores, supermarkets, gasoline stations, pharmacies and drug stores, warehouse clubs and supercenters, and discount tobacco stores.

What is Meant by the Term Direct Impact?

Direct Impacts are those jobs, wages or economic output solely attributable to the industry defined for the study; in this case manufacturers of E-liquids, coils, box mods and other vape products, wholesalers, and retailers that sell vapor products such as; vape shops, convenience stores, supermarkets, gasoline stations, pharmacies and drug stores, warehouse clubs and supercenters, and discount tobacco stores. These are the jobs that one can count. If one were to go to a manufacturing facility and count the number of people working there, that would be the direct employment (although there may be many more people working than there are jobs since many people work only part time). JDA uses direct employment at manufacturing facilities, offices, retail locations and other sites that are defined to be part of the industry to calculate all of the other effects presented in the study. For example, if a company facility employs 500 people, JDA then uses the IMPLAN model to calculate how much in wages and output those 500 employees create.

What is Meant by the Term Indirect?

Indirect is the term used in economic impact studies to define those effects that result from firms in the defined (or Direct) industry purchasing goods and services from other industries. JDA defines these as Supplier Impacts in its models. For example, when an e-liquid manufacturer pays rent on its warehouse to their landlord, or when they hire a trucking company to deliver products, or purchasing vapor products from a lab or warehouse, they are creating indirect effects in the real estate sector or trucking sector of the economy.

In the case of wholesalers, retailers and others that handle products through a supply chain, the value of the goods moving through a warehouse or a store are not counted as indirect impacts; only those goods and services used to provide the wholesale or retail service are included. When a wholesaler pays an electric bill for its facility, or a retailer buys paper for its store, indirect impact is created. Whereas, when a vapor product wholesaler buys e-liquid from a manufacturer, this transaction is not considered in the supplier impact.

What is Meant by the Term Induced?

Induced effects are the response by the economy that occur through re-spending of income received by payments made to employees and business owners measured in the direct and supplier parts of the economy. When people work for a retail location selling vapor products or for firms that supply goods and services to the industry, they receive wages and other payments. This money is recirculated through their household spending inducing further local economic activity. Economists call these induced impacts the multiplier effect of an activity or industry.

Examples of induced effects are the jobs created in a diner located outside of a vape component factory or retail store where people purchase sandwiches for lunch, or at the gas station where they purchase fuel for their commute, or even in neighborhoods, where workers purchase houses, go to restaurants or visit the movie theater.

What Specifically Do You Mean When You Say a Job?

Jobs are a measure of the annual average of monthly jobs in each industry as defined by the Quarterly Census of Employment and Wages put out by the Bureau of Labor Statistics. Jobs in our models are derived independently and do

not match jobs reported by government entities in that the model defines the industry differently, and because it includes proprietors and other employees not eligible for unemployment benefits, and data from more firms and facilities than are surveyed by the government. Jobs are measured in full-time equivalent units.

What is Meant by The Term Economic Output or Economic Impact?

JDA uses output in its models as a general measurement of economic impact because it is the broadest and most comparative measure. Output can basically be considered similar to final sales; however, it differs due to the fact that it also includes adjustments in inventories and does not include certain taxes. In general, output represents the value of industry production for the model year calculated in terms of producer prices. Output differs depending on the industry being measured. In the case of the vapor industry, output is similar to gross sales for vapor product manufacturers. For retailers and wholesalers, output does not represent sales, but rather is similar to the accounting measure of gross margin. Simply put, output in the case of retailing can be seen as total sales revenue minus the cost of goods sold. This is similar to the wholesale or retail markup on a product.

What is Meant by the Term Taxes Paid?

This economic impact study measures the Vapor Industry's total tax contributions. The model includes information on income received by the Federal, state and local governments, and produces estimates for the following taxes at the Federal level: Corporate income; payroll, personal income, estate and gift, and excise taxes, customs duties; and fines, fees, etc. State and local tax revenues include estimates of: Corporate profits, property, sales, severance, estate and gift and personal income taxes; licenses and fees and certain payroll taxes.

The model was built prior to the enactment of the Tax Cuts and Jobs Act, and represent taxes paid during the model year.