

**The Vapor industry
Economic Impact Study**

**Methodology and Documentation
Prepared for:**



Vapor Technology Association

By



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April 29, 2019

Executive Summary:

The 2018 Vapor Industry Economic Impact Study estimates the economic contributions made by the vapor industry, which includes E-liquids, coils, box mods and other vape products to the U.S. economy in 2018. John Dunham & Associates conducted this research, which was funded by the Vapor Technology Association. This work used standard econometric models first developed by the U.S. Forest Service, and now maintained by IMPLAN Inc. Data came from industry sources, government publications and Infogroup.¹

The study measures the number of jobs in the vapor industry; the wages paid to employees, the value added and total output. In addition, it measures the economic impact of the suppliers that support the vapor industry, as well as those industries supported by the induced spending of direct and supplier industries.

Industries are linked to each other when one industry buys from another to produce its own products. Each industry in turn makes purchases from a different mix of other industries, and so on. Employees in all industries extend the economic impact when they spend their earnings. Thus, economic activity started by the vapor industry generates output (and jobs) in hundreds of other industries, often in states far removed from the original economic activity. The impact of supplier firms, and the “Induced Impact” of the re-spending by employees of industry and supplier firms, is calculated using an input/output model of the United States. The study calculates the impact on a national basis, by state, by Congressional district, and by state legislative districts.

The study also estimates taxes paid by the industry and its employees. Federal taxes include industry-specific excise and sales taxes, business and personal income taxes, FICA, and unemployment insurance. State and local tax systems vary widely. Direct retail taxes include state and local sales taxes, license fees, and applicable gross receipt taxes. Retailers pay real estate and personal property taxes, business income taxes, and other business levies that vary in each state and municipality. All entities engaged in business activity generated by the industry pay similar taxes.

The vapor industry is a dynamic part of the U.S. economy, accounting for about \$24.46 billion in output or about 0.14 percent of GDP. It employs approximately 166,007 Americans who earned wages and benefits of about \$7.90 billion.

Members of the industry and their employees paid \$3.31 billion in federal, state and local taxes. This does not include state and local sales taxes or excise taxes that may apply for specific retail purchases which are estimated to total \$11.78 billion.

Summary Results

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 Vape products such as; vape stores, tobacco shops, convenience stores, supermarkets, gasoline stations, pharmacies and drug stores, warehouse clubs and supercenters. The vapor industry reaches into all corners of the

¹ Infogroup is the leading provider of business and consumer data for the top search engines and leading in-car navigation systems in North America. Infogroup gathers data from a variety of sources, by sourcing, refining, matching, appending, filtering, and delivering the best quality data. Infogroup verifies its data at the rate of almost 100,000 phone calls per day to ensure absolute accuracy.

United States, employing 87,581 and generating \$3.28 billion in wages. Vape businesses directly generate \$9.15 billion in economic activity nationally.

Table 1 – Economic Contribution of the Vapor industry

	Direct	Indirect	Induced	Total
Jobs	87,581	29,427	48,999	166,007
Wages	\$3,277,220,400	\$2,092,844,100	\$2,527,825,000	\$ 7,897,889,500
Economic Impact	\$9,151,211,700	\$7,272,386,500	\$ 8,033,914,100	\$ 24,457,512,300
State and Local Taxes				\$ 13,234,270,700
Federal Taxes				\$ 1,860,313,900

To put the direct impact of the vapor industry in context, it is slightly larger than the Iron and Steel forging industry in the United States and employs almost as many people as the entire commercial fishing industry.²

Other firms are related to the vapor industry as suppliers. These firms produce and sell a broad range of items including E-liquid, coils, batteries, and all of the merchandise needed to maintain Vape businesses. In addition, supplier firms provide a broad range of services, including personnel services, financial services, advertising services, consulting services or transportation services. Finally, a number of people are employed in government enterprises responsible for the regulation of the industry. All told, we estimate that the industry is responsible for 29,427 supplier jobs. These firms generate about \$7.27 billion in economic activity.³

An economic analysis of the vapor industry will also take additional linkages into account. While it is inappropriate to claim that suppliers to the industry's indirect firms are part of the industry being analyzed,⁴ the spending by employees of the industry, and that of indirect firms whose jobs are directly dependent on the vapor industry, should be included. This spending - on everything from housing, to food, to education and medical care - makes up what is traditionally called the "induced impact," or multiplier effect, of the vapor industry. For 2018, the induced impact of the industry generates 48,999 jobs and \$8.03 billion in economic impact, for a multiplier of 0.88.⁵

Table 1 presents a summary of the total economic impact of the vapor industry in the United States. Summary tables for the United States, individual states, Congressional districts, and state legislative districts are included in the output model, which is discussed in the following section.

Another important part of an impact analysis is the calculation of the contribution of the industry to the public finances of the country. In the case of the vapor industry, the taxes paid by firms and their employees provide \$1.86 billion to the federal government and \$13.23 billion to state and local governments including income taxes, property taxes, profits taxes, etc. These figures also include state and local sales and excise taxes that are paid by consumers when they purchase Vapor products. These sales based taxes total \$11.78 billion. (See Table 2)

² Based on comparisons of economic output from the 2016 IMPLAN tables.

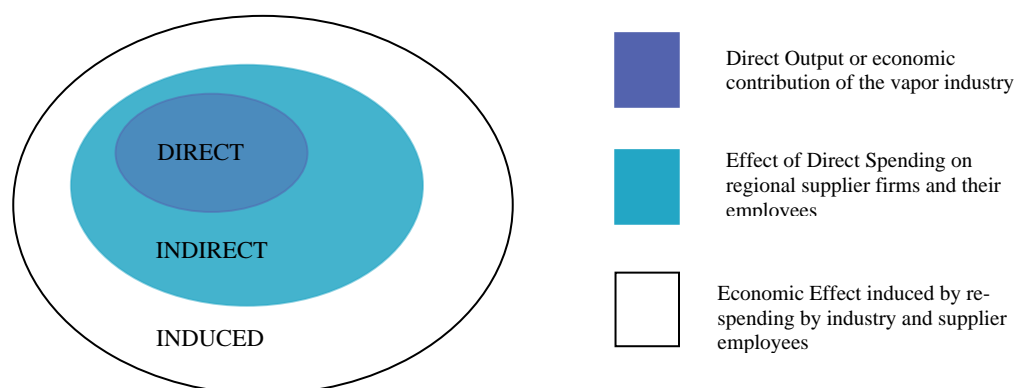
³ Throughout this study, the term "firms" actually refers to physical locations. One manufacturer, for example, may have facilities in 5 or 6 locations throughout the country.

⁴ These firms would more appropriately be considered as part of the indirect firm's industries.

⁵ Often economic impact studies present results with very large multipliers – as high as 4 or 5. These studies invariably include the firms supplying the induced industries as part of the induced impact. John Dunham & Associates believes that this is not an appropriate definition of the induced impact and as such limits this calculation only to the effect of spending by direct and indirect employees.

Table 2 – Fiscal Contribution of the Vapor Industry

Tax Type	Federal	State/Local	Total
Individual Income	\$643,566,144	\$160,089,766	\$803,655,910
Social Security/Social Insurance	\$826,013,743	\$13,380,142	\$839,393,885
Property		\$520,306,982	\$520,306,982
Business/Employee Paid Sales Taxes		\$575,613,402	
Corporate Income	\$244,182,266	\$38,173,598	\$282,355,864
Other Personal and Business Taxes	\$146,551,724	\$143,256,651	\$289,808,375
Federal Excise Taxes	\$0		\$0
State Excise Taxes		\$281,951,262	\$281,951,262
State Sales Taxes		\$558,093,506	\$558,093,506
Local Sales Taxes		\$45,237,712	\$45,237,712
Total	\$1,860,313,877	\$2,336,103,020	\$4,196,416,897

Economic Impact Modeling – Summary

The Economic Impact Study begins with an accounting of the direct employment in the vapor industry. The data comes from a variety of government and private sources. It is sometimes mistakenly thought that initial spending accounts for all of the impact of an economic activity or a product. For example, at first glance it may appear that consumer expenditures for a product are the sum total of the impact on the local economy. However, a single economic activity leads to a ripple effect wherein other sectors and industries benefit from this initial spending. This inter-industry effect of an economic activity can be assessed using multipliers from regional input-output modeling.

The economic activities of events are linked to other industries in the state and national economies. Activities related to vape represent the direct effects on the economy. Indirect impacts occur when these activities require purchases of goods and services such as advertising services or merchandising material from local or regional indirect firms. Additional induced impacts occur when workers involved in direct and indirect activities spend their wages. The ratio between induced output and direct output is termed the multiplier.

This method of analysis allows the impact of local production activities to be quantified in terms of final demand, earnings, and employment in the states and the nation as a whole.

Once the direct impact of the industry has been calculated, the input-output methodology discussed below is used to calculate the contribution of the indirect sector and of the re-spending in the economy by employees in the industry and its indirect firms. This induced impact is the most controversial part of economic impact studies and is often quite inflated. In the case of the vape model, only the most conservative estimate of the induced impact has been used.

Model Description and Data

This economic impact analysis was developed by JDA based on data provided by the Vapor Technology Association., Infogroup, the Food and Drug Administration, and Centers for Disease Control and Prevention (CDC), and Federal and state governments. The analysis utilizes the IMPLAN model in order to quantify the economic impact of the vapor industry on the economy of the United States, as well as individual states, Congressional districts, and state legislative districts.⁶ The model adopts an accounting framework through which the relationships between different inputs and outputs across industries and sectors are computed. This model can show the impact of a given economic decision – such as a factory opening or operating a sports facility – on a pre-defined, geographic region. It is based on the national income accounts generated by the US Department of Commerce, Bureau of Economic Analysis (BEA).⁷

Every economic impact analysis begins with a description of the industry being examined. In the case of the vapor industry it is defined as the three components of the United States’ vapor industry. These are further broken out by product type (Table 3)

Table 3 – Direct Jobs by Product Category

Product Category	Direct Jobs	% of Total Jobs
Retail Vape	70,348.87	80.33%
E-liquid Manufacturer	4,589	5.24%
Wholesaler	9,563.43	10.92%
Component Manufacturer	2,472.5	2.82%
Coil Manufacturer	600	0.69%
Total:	87,573.80	100.00%

This will incorporate firms in the following economic sectors:

- ❖ **Manufacturers:** E-Liquid, coils, and component manufacturers (which includes box mods, batteries, and other vapor products).
- ❖ **Wholesalers:** Includes firms involved in the distribution and storage of vapor products.
- ❖ **Retailers:** Includes firms involved in the sale of vapor products. This sector includes retail establishments (e.g. tobacco stores, convenience stores, gas stations, vape stores, etc.)
- ❖ **Data on vape shops that make their own liquid** has been split to reflect a portion of the employees as manufacturers and a portion as retailers.

⁶ The model uses 2016 input/output accounts.

⁷ The IMPLAN model is based on a series of national input-output accounts known as RIMS II. These data are developed and maintained by the U.S. Department of Commerce, Bureau of Economic Analysis as a policy and economic decision analysis tool.

The IMPLAN model is designed to run based on the input of specific direct economic factors. It uses a detailed methodology (see IMPLAN Methodology section) to generate estimates of the other direct impacts, tax impacts and indirect and induced impacts based on these entries. In the case of the vape model, direct employment in the vapor industry is a starting point for the analysis. Direct employment is based on data provided to John Dunham & Associates by Infogroup, the Vapor Technology Association and the Centers for Disease Control and Prevention as of October of 2018. Infogroup data are recognized nationally as a premier source of micro industry data. Infogroup is the leading provider of business and consumer data for the top search engines and leading in-car navigation systems in North America. Infogroup gathers data from a variety of sources, by sourcing, refining, matching, appending, filtering, and delivering the best quality data. Infogroup verifies its data at the rate of almost 100,000 phone calls per day to ensure absolute accuracy.

Once the initial direct employment figures have been established, they are entered into a model linked to the IMPLAN database. The IMPLAN data are used to generate estimates of direct wages and output. Wages are derived from data from the U.S. Department of Labor's ES-202 reports that are used by IMPLAN to provide annual average wage and salary establishment counts, employment counts and payrolls at the county level. Since this data only covers payroll employees, it is modified to add information on independent workers, agricultural employees, construction workers, and certain government employees. Data are then adjusted to account for counties where non-disclosure rules apply. Wage data include not only cash wages, but health and life insurance payments, retirement payments and other non-cash compensation. It includes all income paid to workers by employers.

Total output is the value of production by industry in a given state. It is estimated by IMPLAN from sources similar to those used by the BEA in its RIMS II series. Where no Census or government surveys are available, IMPLAN uses models such as the Bureau of Labor Statistics' growth model to estimate the missing output.

The model also 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, 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.

While IMPLAN is used to calculate the state level impacts, Infogroup data provide the basis for legislative district level estimates. Publicly available data at the county and Legislative district level is limited by disclosure restrictions, especially for smaller sectors of the economy. Our model therefore uses actual physical location data provided by Infogroup in order to allocate jobs – and the resulting economic activity – by physical address or when that is not available, zip code. For zips entirely contained in a single congressional district, jobs are allocated based on the percentage of total sector jobs in each zip. For zips that are broken by congressional districts, allocations are based on the percentage of total jobs physically located in each segment of the zip. Physical locations are based on either actual address of the facility, or the zip code of the facility, with facilities placed randomly throughout the zip code area.

IMPLAN Methodology⁸

Francoise Quesnay one of the fathers of modern economics, first developed the analytical concept of inter-industry relationships in 1758. The concept was actualized into input-output analysis by Wassily Leontief during the Second World War, an accomplishment for which he received the 1973 Nobel Prize in Economics.

Input-Output analysis is an econometric technique used to examine the relationships within an economy. It captures all monetary market transactions for consumption in a given period and for a specific geography. The IMPLAN model uses data from many different sources – as published government data series, unpublished data, sets of relationships, ratios, or as estimates. The Minnesota IMPLAN group gathers this data, converts it into a consistent format, and estimates the missing components.

There are three different levels of data generally available in the United States: Federal, state and county. Most of the detailed data are available at the county level, but there are many issues with disclosure – especially in the case of smaller industries. IMPLAN overcomes these disclosure problems by combining a large number of datasets and by estimating those variables that are not found from any of them. The data is then converted into national input-output matrices (Use, Make, By-products, Absorption and Market Shares) as well as national tables for deflators, regional purchase coefficients and margins.

The IMPLAN Make matrix represents the production of commodities by industry. The Bureau of Economic Analysis (BEA) Benchmark I/O Study of the US Make Table forms the bases of the IMPLAN model. The Benchmark Make Table is updated to current year prices, and rearranged into the IMPLAN sector format. The IMPLAN Use matrix is based on estimates of final demand, value-added by sector and total industry and commodity output data as provided by government statistics or estimated by IMPLAN. The BEA Benchmark Use Table is then bridged to the IMPLAN sectors. Once the re-sectoring is complete, the Use Tables can be updated based on the other data and model calculations of interstate and international trade.

In the IMPLAN model, as with any input-output framework, all expenditures are in terms of producer prices. This allocates all expenditures to the industries that produce goods and services. As a result, all data not received in producer prices is converted using margins which are derived from the BEA Input-Output model. Margins represent the difference between producer and consumer prices. As such, the margins for any good add to one.

Deflators, which account for relative price changes during different time periods, are derived from the Bureau of Labor Statistics (BLS) Growth Model. The 224 sector BLS model is mapped to the 536 sectors of the IMPLAN model. Where data are missing, deflators from BEA's Survey of Current Businesses are used.

Finally, the Regional Purchase Coefficients (RPCs) – essential to the IMPLAN model – must be derived. IMPLAN is derived from a national model, which represents the “average” condition for a particular industry. Since national production functions do not necessarily represent particular regional differences, adjustments need to be made. Regional trade flows are estimated

⁸ This section is paraphrased from IMPLAN Professional: Users Guide, Analysis Guide, Data Guide, Version 2.0, MIG, Inc., June 2000.

based on the Multi-Regional Input-Output Accounts, a cross-sectional database with consistent cross interstate trade flows developed in 1977. These data are updated and bridged to the 536 sector IMPLAN model.

Once the databases and matrices are created, they go through an extensive validation process. IMPLAN builds separate state and county models and evaluates them, checking to ensure that no ratios are outside of recognized bounds. The final datasets and matrices are not released until extensive testing takes place.

THE VALUE OF VAPOR

The vapor industry's economic impact in the United States

The U.S. vapor industry is a major part of the modern economy

TOTAL ECONOMIC IMPACT

THE GLOBAL E-CIGARETTE & VAPOR MARKET SIZE
IS PROJECTED TO REACH \$47.1 BILLION BY 2025¹



THE VAPOR INDUSTRY
GENERATES
\$ 24,457,512,300
FOR THE UNITED STATES
ECONOMY

THE VAPOR INDUSTRY IS
PROUD TO CREATE
166,007
JOBS FOR THE AMERICAN
WORKFORCE



JOBS CREATED

A WIDE RANGE OF INDUSTRIES & SMALL BUSINESSES
BENEFIT FROM JOBS DERIVED FROM THE VAPOR
MARKET

**TOTAL
WAGES
EARNED**
IN THE UNITED STATES



VAPOR BUSINESSES
PAID OVER
\$ 7,897,889,500
IN WAGES AND BENEFITS TO
THEIR EMPLOYEES



VAPOR BUSINESSES GENERATED
\$ 15,094,584,600
IN FEDERAL, STATE & LOCAL TAXES





The Economic Impact of the Vapor Industry 2018 UNITED STATES

DIRECT ECONOMIC IMPACT	Jobs	Wages	Output
Vape Store Retail Jobs	56,458	\$ 1,292,602,700	\$ 2,334,389,000
All Other Retail Jobs	13,892	\$ 445,564,300	\$ 965,300,200
Wholesale Jobs	9,564	\$ 813,597,600	\$ 2,346,359,600
E-Liquid Manufacturing Jobs	4,590	\$ 540,099,500	\$ 2,958,339,100
Component Manufacturing Jobs	3,077	\$ 185,356,300	\$ 546,823,800
Total	87,581	\$ 3,277,220,400	\$ 9,151,211,700

SUPPLIER ECONOMIC IMPACT	Jobs	Wages	Output
Agriculture	423	\$ 18,827,900	\$ 55,119,100
Mining	692	\$ 80,012,000	\$ 204,818,400
Construction	527	\$ 31,232,100	\$ 82,450,500
Manufacturing	3,022	\$ 268,585,100	\$ 2,355,438,000
Wholesale	1,726	\$ 146,599,500	\$ 422,784,500
Retail	391	\$ 14,733,900	\$ 33,577,600
Transportation & Communication	4,443	\$ 358,365,900	\$ 1,187,518,400
Finance, Insurance & Real Estate	4,354	\$ 221,649,600	\$ 1,079,025,000
Business & Personal. Services	11,740	\$ 854,053,800	\$ 1,625,448,300
Travel & Entertainment	1,477	\$ 41,561,700	\$ 101,451,600
Government	632	\$ 57,222,600	\$ 124,755,100
Other	0	\$ 0	\$ 0
Total	29,427	\$ 2,092,844,100	\$ 7,272,386,500

INDUCED ECONOMIC IMPACT	Jobs	Wages	Output
Agriculture	939	\$ 31,444,600	\$ 108,975,400
Mining	206	\$ 23,354,800	\$ 62,593,700
Construction	552	\$ 32,765,600	\$ 88,303,200
Manufacturing	2,330	\$ 174,681,200	\$ 1,250,212,900
Wholesale	1,420	\$ 120,717,300	\$ 348,140,000
Retail	6,599	\$ 226,736,900	\$ 567,924,300
Transportation & Communication	2,644	\$ 217,901,300	\$ 904,576,400
Finance, Insurance & Real Estate	5,715	\$ 330,545,800	\$ 2,052,421,500
Business & Personal Services	19,516	\$ 1,081,186,600	\$ 1,955,726,000
Travel & Entertainment	7,217	\$ 191,326,300	\$ 521,605,300
Government	575	\$ 50,902,600	\$ 139,402,200
Other	1,286	\$ 46,262,000	\$ 34,033,200
Total	48,999	\$ 2,527,825,000	\$ 8,033,914,100

	Jobs	Wages	Output
TOTAL ECONOMIC IMPACT	166,007	\$ 7,897,889,500	\$ 24,457,512,300

TAX IMPACT	TAXES GENERATED
Business Taxes Generated	\$ 3,311,134,400
Federal	\$ 1,860,313,900
State	\$ 1,450,820,500
Consumption Taxes Generated	\$ 11,783,449,900
Total Taxes	\$ 15,094,584,600

What Do We Mean By Economic Output? FAQ's

Where do the Data Come From?

The data gathered for this model came from Infogroup, VTA, and federal and state government sources. Infogroup is the leading provider of business and consumer data, which includes addresses, business titles and job totals. Since the Infogroup data are adjusted on a continual basis, staff from John Dunham & Associates scanned the data for discrepancies, verifying individual facilities using Google Maps, web searches, and any available online government documents. Each office or facility has its own employee count; therefore, a company with a separate manufacturing plant, a warehouse and an office location would have three facilities, each with separate employment counts. In addition, for cases where employment data were available, Infogroup employment figures were replaced with industry sources.

What Model is Used?

These employment totals are entered into the IMPLAN Model. The IMPLAN model is based on the input-output accounts published by the US Department of Commerce, Bureau of Economic Analysis and is one of the standard models used to calculate economic impact figures. Input-Output tables representing the economy in 2014 (2015 is the last year available at the time of this study) were used in this analysis. The IMPLAN model is designed to run based on the input of specific direct economic factors, like direct jobs, and generates estimates of direct wages and outputs.

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.

In addition, the model includes data on federal and state excise taxes as well as state and local sales taxes paid by vapor product consumers.

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