



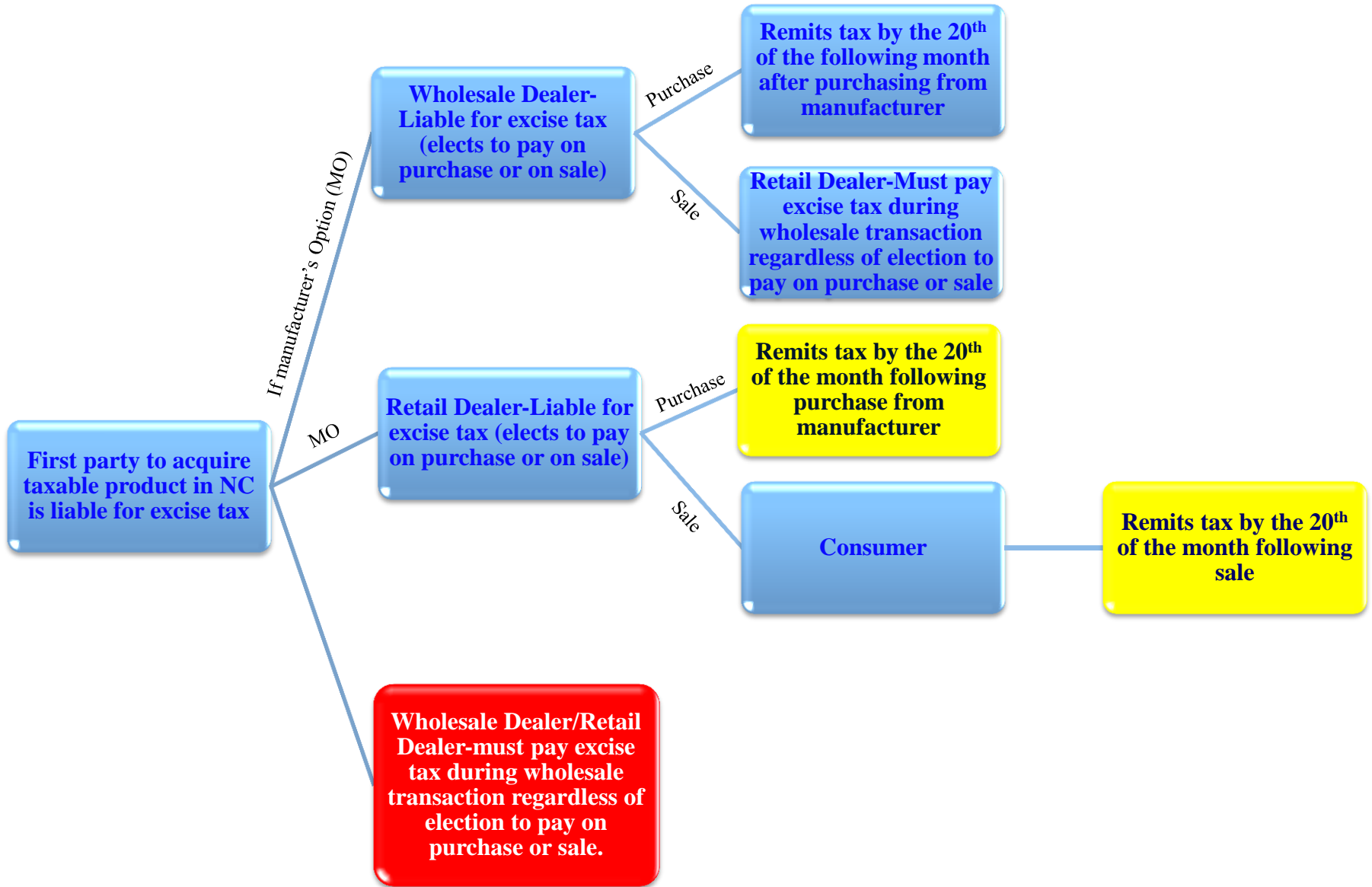
Revenue Laws Study Committee



Madvapes by the Numbers

- Over 300 employees (majority based in NC) under its corporate owned infrastructure.
- Approximately 40 of these employees work in our manufacturing and innovation center in Mooresville, NC.
- In addition, our licensees employ approximately 100 full and part-time associates.
- Madvapes currently has enrolled 122 employees (plus families) on its company's health care plan
- Has supported Folds of Honor with more than \$25,000 in the past 5 months.
- Madvapes will pay approximately \$1,000,000 per year in excise tax collected on the sale of e-liquid in North Carolina.
- Corporate owned retail locations will generate approximately \$1,000,000 in sales tax revenue for the state of North Carolina in 2015.
- Supply over 6,000 vape stores in North Carolina and throughout the United States.
- Expanding presence into Europe and are expected e-liquid sales into China

NC Vapor Products Supply Chain





N.C. Gen. Stat. § 105-113.35 Proposed Changes

(f) Wholesaler's Option. -- A wholesaler who ships *vapor products* to a retail dealer licensed under this Part may apply to the Secretary to be relieved of paying the tax imposed by this section on the *vapor products* shipped to a retail dealer. Once granted permission, a wholesaler may choose not to pay the tax until otherwise notified by the Secretary. To be relieved of payment of the tax imposed by this section, a wholesaler must comply with the requirements set by the Secretary.

E-liquid Brands Distributed by Madvapes/Electra Vapor Prior to Excise Tax



CA X OH

CHARLIE'S

Chalk Dust



Minimal Impact on Revenue Generated

- No Impact-Retailers who have chosen to pay excise tax on purchase.
- Minimal Impact-Retailers who have chosen to pay excise tax on sale.



Madvapes Retail Excise Tax Liability

