

Dear House Committee on Revenue Members,

DATE March 12, 2013

The Korean American Grocers Association of Oregon is opposed to this bill because it would be devastating to our business. Our stores rely on the profit of tobacco sales to stay in business. We pay our taxes and we pay our employees. We do not rely on taxpayer funds to pay our employees. This bill would devastate our member stores and many of our stores would close. Some of our stores would have to lay off employees, at minimum.

House Bill 2275 would drastically increase the cigarette sales tax in Oregon. Not only will our members see a dramatic decrease in legal sales on cigarettes, we would also lose additional sales on things like water, gas, pop, candy, etc. that our customers buy in addition to their cigarette purchases. Our customers will find other resources to buy their cigarettes, like Native American stores, who don't collect taxes - or through other contraband means. Those sales will crush law abiding, tax paying, job-providing retailers. Now is not the time to force people out of their jobs, their businesses, and their livelihood. In this economy, our Representatives should be looking for ways to help small businesses survive and thrive, not put them out of business and force business owners to lay off employees. This State is already struggling with high unemployment, and the State does not need to make that problem even worse.

Please truly consider what this bill will do to all retailers throughout Oregon. Washington State recently enacted a similar tax and now the WA State Department of Revenue estimates that nearly 40% of all cigarette sales in Washington State are contraband. Nearly half! That is a number that the State of Oregon should NOT ignore.

We urge you to oppose House Bill 2275.

Sincerely,

David Lee
President
Korean American Grocers Association of Oregon