



Plaid Pantries, Inc. • 10025 SW Allen Blvd. • Beaverton, Oregon 97005 • Telephone: 503.646.4246 • Facsimile: 503.646.3071

February 27, 2018

**House Committee on Health Care re: HB 4146**

Dear Chair Greenlick, Vice-Chairs Hayden and Nosse, Committee Members:

On behalf of our customers & employees, we oppose increases in the state excise tax on tobacco. If revenue must be increased it should be done fairly, from all citizens, not by singling out a minority group.

Raising taxes is damaging to small businesses and their employees, because many more customers will buy tobacco from smugglers. Retailers will lose not just tobacco sales, but more important, will lose significant sales of high-margin non-tobacco products that customers purchase with tobacco products.

According to the most recent Tax Foundation Report, Washingtonians evade their state cigarette tax on 44% of cigarettes they consume. Oregon's smuggling rate is 10%. Raising Oregon's cigarette tax will increase our tax evasion proportionately.

Oregon collects nearly twenty percent of its tobacco revenue by selling 28 million packs of cigarettes to Washington consumers. We should not give up this money and require Oregonians to replace \$37 million collected from out-of-state customers.

Tobacco consumption is declining at increasing rates. It is not good policy to rely on increasing revenue from a significantly declining source.

Please do not raise taxes further on a minority of our citizens and customers who use tobacco.

Respectfully submitted,

William C. Girard, Jr.  
CEO, Plaid Pantries, Inc.  
Chair, Oregon Neighborhood Store Association