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April 9, 2019

House Committee on Revenue re: HB 2270

Dear Chair Nathanson, Vice Chairs Marsh and Findley, Committee Members:

Raising taxes on tobacco products hits the very people who are already down and out the very hardest. Many of them are already unemployed, homeless and possibly sleeping on the street. They are also some of the people living off welfare and eating at soup kitchens.

As you possibly already know, when one has an addiction such as smoking or drinking, people will spend their last nickel on their addictions. Raising taxes by 150% on any product is unconscionable. You are taxing 20% of the people for having a problem they sometimes can't help.

If they must pay more for their addiction, we will have to provide more in the way of subsidies to them. Raising taxes on tobacco will lessen the amount of money, should they have any left over, they would have to buy food in the neighborhood convenience stores.

Oregon will be a ripe market for smugglers. This will damage small businesses and their employees.

More than a fourth of Oregon's tobacco revenue is derived from sales to Washington, who is experiencing a 44% smuggling rate, and California. Oregon is experiencing a 10% smuggling rate. How high will it go if our tax is raised by 150%?

Please reconsider raising taxes by 150% on anything.

Respectfully submitted,

**Lila C. Leathers
President, Leathers Fuels**