

April 9, 2019

House Committee on Revenue: HB 2770

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

As a business owner, tax payer, lifetime Oregonian and employer I have some real concerns regarding HB 2770 and the role it will have on the short term as well as the longer term impact on our state. I would ask that you take a minute to consider some of the ramifications of passing such an enormous tax increase on tobacco products.

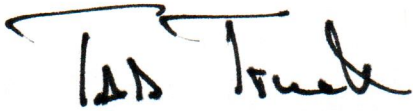
As an owner of a retail chain that sells cigarettes exclusively in the State of Oregon I can attest that such a large increase will definitely have a negative impact on our overall sales. I would like to also make a point that a large percentage of the people consuming tobacco products are of average to lower income and this would put even more of the tax burden on them. The management of a tax revenue stream for the State isn't so much different than managing retail. I suggest that you conduct further study into who and how many are currently providing and paying the existing tobacco tax prior to initiating an excessive increase.

While life isn't fair the role of taxes and the funding of programs large and small should have at least some feeling of equality and shared responsibility. The concept of raising taxes on what I currently believe is less than 23% of our population to be held responsible for both short and long term funding for health care not related to tobacco consumption or school funding is not appropriate. I agree that it would be wonderful to have better schools and improved health care for our state. I refuse to believe that it is acceptable to expect less than 23% of our constituents to fund programs that benefit 100% of our population. If this bill was directed at 23% of our population based on anything else it wouldn't be an option and it shouldn't be one now.

We have witnessed the decline of tobacco use over the course of our generation and all agree that for many this will lead to longer healthier lives. I believe that this trend will over time tend to continue. As a tax payer I become concerned when I read about the purpose of this increase is to fund programs such as health care and public education. I do not believe tying a declining revenue stream associated with a declining portion of our population to programs that are going to continually grow in costs to be economically viable. What happens as the needs of these programs increase and the tax revenue diminishes?

Sometimes the best of intentions can lead to unintended consequences and I feel that this is one of those instances. Increasing the tax on cigarettes to offset additional medical costs associated with tobacco usage in Oregon is appropriate. Asking a small minority of average Oregonians to fund large costly programs because what they are consuming while legal isn't as socially pervasive is just wrong. It's wrong in terms of equality, responsibility, economics, and for the people who will be depending on the future of this revenue.

Thank You for your consideration,

A handwritten signature in black ink that reads "Tad Truax". The signature is written in a cursive style with a horizontal line above the first few letters.

Tad Truax

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