

From: [Joe Gibson](#)
To: [LRO](#)
Subject: HB 270 for House Revenue Committee. From: Joe Gibson, Dari Mart Stores Inc.
Date: Tuesday, April 9, 2019 2:33:01 PM

House Committee on Revenue re: HB 2270

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

Our stores rely on the profit of tobacco sales. With an increase of 150% on a product that makes up the largest category in our stores we would take a devastating hit to not only our tobacco sales but the but to the other items that consumers buy at the same time.

Less than 20% of Oregon consumers are smokers but that 20% is made up largely of middle to lower income individuals who cannot afford to pay this kind of tax increase.

With the loss in sales that this tax increase would have we would be forced to lay off employees and most likely close some of our stores.

I believe that this tax increase will have a negative overall long-term impact on state revenue and retail grocery jobs. Consumers who are not willing or able to quit using tobacco will find alternate means to get their products. In Washington, after their last increase, they estimate that 40% of tobacco products are purchased through means that are not being taxed by the state, I would expect Oregon to see similar results.

Currently we see manufacturer increase in the tobacco category of between 2-5% yearly. A one time increase of 150% just doesn't make any sense. Please reconsider your position on this tax.

Thank you for your time.

Joe Gibson

Director of Purchasing

and Category Management

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