



Chairman: Anne R. Kaiser
Members of Ways and Means Committee
RE: HB732
Position: In opposition

A \$2.00 tax increase per pack of cigarettes would be detrimental to retailers and, to the delight of smugglers and organized crime, bring more profit to street cigarette and OTP sales than illicit drugs. This will give our youth ample places to buy product without any I.D., leave retailers with no sales and the state of Maryland with no sales tax collected. With social media, underage will have no problem finding locations.

This is not a theory; it happens in every state and the District of Columbia where tobacco tax has increased dramatically. Maryland is particularly open to this type of activity because of its proximity to other state with lower taxes.

If this bill were enacted five cartons legally bought and transported from Virginia would turn in to contraband when sold in Maryland. Virginia tax on five cartons is \$15.00. Maryland's tax is \$200.00. Imagine what truck loads will bring! The crime gangs will be impossible to contain, and we will be turning honest citizens into criminals and putting them in a dangerous environment.

Removing the prohibition from local governments imposing a tax on OTP and cigarettes would leave retailers with county to county competition as if state to state is not enough.

This bill, while well-meaning, has the unintended consequences of youth sale of tobacco and e-products and sending honest folks into the street or making a road trip to buy what they want.

Please Give HB732 an Unfavorable Report

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