

state refund tax stamps stolen cigs (1).pdf

Uploaded by: Christopher Warthen

Position: FAV



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My Name is Chris Warthen. I am currently the Assistant Manager of Operations for The George J Falter Co Located @ 3501 Benson Avenue, Baltimore Md 21227. We are the oldest candy distributor in the state of Maryland dating back to 1878. We have grown to carry a full line of convenience store items. I fear we won't be able to continue to provide a place of employment for the 160+ families who work for us unless we get some much-needed help at the State and Federal levels. Over the years The George J Falter Company has collected hundreds of millions of tax dollars for the State of Maryland. Since 2020 we have collected just under two hundred and thirty million dollars in tobacco tax, last year alone was almost eighty million dollars. All money that helps the State. Now we need the State to help us!

We have been the target of a multi county and multi state crime spree. Our trucks are being robbed at gun point! This is a public safety issue! We have been working with local authorities to try and catch the criminals and have had only one arrest and robberies are happening more and more. I reached out to the ATF agency and was told they don't handle Tobacco issues any longer since the TTB was formed in 2003. I reached out to the TTB and was told they don't have any agents like the ATF does.... So where do we turn for help???
We are being robbed at gun point almost weekly, targeting and taking cigarettes, mostly menthol. With the amount of Tax, the State of Maryland has put on cigarettes and DC no longer allowing the sale of Menthol Cigarettes, it has created a crime

spree that is destroying our company. Since July of last year 2022, we have lost a total of 2303 cartons to robberies.

\$238530.63 in cigarettes total state tax being \$79,747.50. We have police reports and videos to prove the cigarettes were stolen. We have exhausted the possibility of any more help from our insurance company leaving us in a negative - 174,152.34 . That 78,487.50 in state taxes we never collected from our customers and end users were never sold but stolen we should not have to bear this loss from the state. We need your help!

Currently we must bear the financial loss of the stolen cigarettes and the tax stamps that are on them. We pay for the Tax Stamps in advance and must take a loss for the stolen goods when State and local law enforcement can't provide safe streets for our trucks to travel on. How is this considered ok? This is completely unfair and needs to be changed immediately before it's too late to save our company for the families we employ.

We have stayed in business for over 140 years because, we believe the only way to run a business is the right way, Follow the laws that are put in place. Take care of your workplace and the people who you employ.

We need the proposed bill to change the law, that will refund the distributor the full amount of prepaid taxes on the stolen tobacco products.

I don't think I'm asking for anything outrageous, just what's fair. The cigarettes never made it to retail, and we should be completely refunded for the prepaid taxes.

Sincerely,

Chris Warthen

George J Falter Co 3501 Benson Ave Baltimore Md 21227

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SB 72_Tobacco Tax Stamp Refunds - Loss Due to Thef

Uploaded by: Destiny Bell

Position: FAV

CORY V. MCCRAY
Legislative District 45
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

Subcommittees

Chair, Health and Human Services

Vice Chair, Capital Budget

Executive Nominations Committee

Legislative Policy Committee

Joint Committee on Gaming Oversight



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Vote Yes to SB 72

Title: Tobacco Tax Stamp Refunds - Loss Due to Theft
Budget and Tax Committee
Hearing: January 18, 2024

Dear Chair, Vice Chair, and Members of the Committee,

I am writing to request your favorable vote on **Senate Bill 72**, a vital piece of legislation aimed at compensating Maryland state Tobacco businesses for their stolen Tobacco products containing the tax stamp. This bill will play a pivotal role in supporting said businesses to not incur financial losses on their purchases of stamped tobacco products that were stolen.

The purpose of **SB72** is to insure Maryland Tobacco businesses for their stolen stamped Tobacco goods. Maryland Tobacco wholesalers must stamp their Tobacco products before being sent to vendors. They must first pay for the stamps, and place them onto the packages of products. If these products are stolen, there is no compensation for the purchase of these government stamps. This bill will give said Maryland businesses, and business owners reimbursement and capacity to continue operating from said losses.

Significance and Impact: The significance of **SB72** will present itself immediately to businesses that have incurred losses from said stolen stamped products. This will alleviate stressors for taxpayers and potentially increase jobs and employment for the people of the state

of Maryland.

Important Considerations: To receive a refund for tobacco tax stamps lost due to theft, a taxpayer must provide to the Comptroller a copy of the police report with a detailed inventory of the stolen property, including when the property was ordered, loaded onto the truck, and stamped. Along with a notarized affidavit signed by the taxpayer under penalty of perjury attesting to the truth of the information provided in the claim for a refund.

This bill will require a decrease in the General fund revenues by an indeterminate amount, potentially beginning as early as June, 2024, per the bill's effective date of 06/01/2024 . The Comptroller's Office can implement the bill's changes with existing budgeted resources. The decrease in the General fund revenues will go to the extent of issued refunds for tobacco tax stamps lost due to theft. General fund revenue losses are offset to the extent that fines are collected for false claims under the bill.

This bill prioritizes Maryland businesses and its workers and I would like to urge a favorable report for **Senate Bill 72**

Respectfully,

A handwritten signature in blue ink, appearing to read 'Cory V. McCray', with a stylized flourish at the end.

Cory V. McCray
45th District