

Dated: 21 February 2024

Written testimony to oppose Tobacco Tax – Cigarettes – Rate Alteration (HB1073).

Today, I, Aslam Gillani, find myself compelled to testify against the insidious HB1073. As the proprietor of eight establishments in Maryland, I am intimately acquainted with the detrimental consequences this bill would unleash upon my business ventures. It appears that the proponents of HB1073 have little regard for the livelihoods of hardworking individuals like me and my thirty-plus employees. Should this draconian measure pass, it will not only wreak havoc on our profit margins but also threaten the very jobs that sustain families in our community. It's disheartening to witness such shortsightedness from those who claim to have the best interests of small businesses at heart.

An increase in the excise tax could lead to higher prices for consumers. This would not only impact individuals but also businesses that rely on affordable goods to operate. In a time when many are already struggling financially, such a measure could further burden the economy.

Furthermore, an increase in the excise tax could incentivize tax evasion and smuggling. As taxes become higher, some individuals and businesses may seek to avoid paying them altogether, leading to a loss of revenue for the government.

The 2021 increase in the Special Excise Tax (SET) hit convenience store owners hard, adding yet another challenge to an already difficult operating environment. As if grappling with the economic fallout from the pandemic wasn't enough, these small business owners now must contend with higher taxes on their products. The SET hike has squeezed profit margins, forcing many C store owners to either absorb the additional costs or pass them on to already cash-strapped consumers. It's a tough situation that highlights the broader struggles faced by small businesses in today's economy.

It's truly remarkable how the excise tax seems to have a magical ability to transcend state lines, affecting the entire tri-state area with its burdensome implications. While one state may think it's clever to boost revenue through this tax, it conveniently forgets that consumers are smart too. They'll simply hop across the border to avoid paying inflated prices, leaving local businesses in the lurch. It's a classic case of shooting oneself in the foot, all in the name of short-sighted fiscal gain.

Sincerely,



Aslam Gillani