

Chairman Atterbary, Vice Chair Wilkins, and esteemed members of the House Ways and Means Committee,

I am Barry Margolis, President of Cooper-Booth Wholesale Company, a prominent wholesale distributor serving retailers and convenience stores in the Mid-Atlantic region. I am here to vehemently oppose HB 1073, a bill suggesting a \$0.75 per pack increase in cigarette taxes. In 2021, Maryland increased the tax by 87.5%.

Cooper-Booth Wholesale Company, with a legacy dating back to 1865, stands as a vital contributor to the regional economy. While we respect the state's prerogative to manage its finances, this proposed tax hike is an untenable burden for businesses like ours. We won't mince words – this bill poses a direct threat to our operations and the broader network of businesses and communities we serve.

A \$0.75 per pack increase is not merely a financial inconvenience; it's a potential disruption to the delicate balance of the supply chain. This kind of tax hike could drive customers away, potentially pushing them across state lines in search of more reasonable prices. After all, consumers will save nearly \$4.00 per pack by driving to nearby Virginia. I am not an advocate for smoking but if I were a smoker it only makes common sense to buy your products in Virginia.

That leads to a point you must understand. The only people who will be left buying cigarettes in Maryland are those without access to reliable transportation. The people who can afford this tax in the least are the ones who are going to bear the weight of it. That type of policy is not why your constituents sent you to Annapolis.

Cooper-Booth Wholesale Company urges you to reconsider the far-reaching consequences of HB 1073. It's not just about our bottom line; it's about the countless jobs, livelihoods, and economic stability connected to our operations. We implore you to prioritize the well-being of local businesses and communities over revenue goals that threaten the very fabric of our regional economy.

Thank you for your attention to this critical matter.

Sincerely,



Barry Margolis

President

Cooper-Booth Wholesale Company