

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



**HB732 – Electronic Smoking Devices, Other Tobacco Products, and Cigarettes –
Taxation and Regulation
Ways and Means Committee
February 18, 2020**

Position: Oppose

Background: HB732 would increase the tobacco tax rate to \$4.00 per pack of cigarettes and would impose an 86% tax on the wholesale price of other tobacco products.

Comments: The Maryland Retailers Association opposes HB732 which, according to its fiscal note, would have a meaningful, negative effect on the small business community in the state.

At this time, Maryland has the 17th highest tobacco tax in the state. If HB732 passed, it would jump to 5th highest on the list, higher than almost all of our neighboring jurisdictions and second only to Washington, D.C. In a state with such close borders to its neighbors, Maryland's business community cannot afford such a steep increase to these tobacco taxes.

Additionally, HB732 would allow local governments to implement their own taxes on tobacco products. Allowing a patchwork of different regulations across the state would be harmful to the business community by increasing the administrative burdens of businesses with multijurisdictional operations.

Thank you for your consideration, and we urge an unfavorable report on HB732.



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