



TESTIMONY of Megan Diver
Vice President
Maine Energy Marketers Association

**BEFORE THE JOINT STANDING COMMITTEE ON
TAXATION
In Opposition of LD 2028
*An Act to Amend Certain State Tax Laws***

Senator Grohoski, Representative Perry, and members of Taxation Committee, my name is Megan Diver, I am the Vice President of the Maine Energy Marketers Association (MEMA).

MEMA represents more than 300 members who own and operate 70% of Maine's 1,300 convenience stores. I am here today to voice our association's opposition for LD 2028, which would, add a NEW tax rather than "amend" as the title suggests.

For years, our members have been integral contributors to the economic well-being of the state of Maine and its communities where they operate. They provide a wide array of products and services that strive to maintain everyday conveniences for consumers, employ hard-working members of the communities, and participate in charitable activities in their towns. Maine convenience stores provide daily food products, sodas, candy, personal necessities, alcohol, snacks, fuel, and tobacco and vapor products. Each product is an important component to their stores' viability to not only survive but to grow.

According to the National Association of Convenience Stores, tobacco sales account for 37.8% of all in-store sales. It is a significant contributor to a convenience store's business, which is being increasingly threatened by a growing patchwork of different local tobacco ordinances being passed in this state. For example, in the cities of Brunswick and Portland, well-paid public health advocates convinced the city councils to pass tobacco flavor bans based on false claims that it would stop people from smoking and protect youth from getting their hands on this product. We know that's simply not true. There is no evidence of public health benefits resulting from these bans, but there is evidence that Brunswick and Portland retailers were severely disadvantaged and hurt by the local ordinances in their cities.

Adding new taxes to products these stores sell will affect their bottom line and their employees pockets.

LD 2028 would add synthetic nicotine products to the states definition of e-cigarette and makes them applicable to the states 43% wholesale tax. Maine's tax policies should encourage harm reductions strategies rather than hindering them. Penalizing adults who choose to use synthetic nicotine products might impede public health goals by discouraging smokers from switching to less harmful alternatives.



Tobacco taxes are highly regressive and harmful to working class Mainers. Given the current economic challenges and high inflation rates, imposing an additional tax on adult nicotine consumers will be burdensome and make it harder for lower-income adults to afford harm reduction alternatives.

LD 2028 adds modern oral products to the state's definitions and makes them pay state excise tax at a rate of 43%. Modern Oral products are seen as alternatives for individuals trying to quit smoking. They are considered less harmful than traditional products, such as cigarettes. Implementing a high excise tax of 43% on these products will discourage smokers from switching to potentially less harmful alternatives, which will impede Maine's public health goals. Adult consumers should be able to choose and afford less risky alternatives like modern oral products. The proposed 43% tax could limit the affordability and accessibility of these alternative products for adult consumers.

We ask this Committee to oppose new tax laws and oppose LD 2028.

Thank you for your time and consideration.