

Senators, Representatives, and Members of the committee, thank you for allowing me to participate in today's hearing and your attention to this matter.

My name is Jason Pierce, I am a Category Manager for Energy North, which operates 19 convenience stores in Maine.

As you consider this cigarette tax increase to fund the development of a college of medicine in Penobscot County, I ask you truly examine the negative impact it will have on both the small businesses of Maine, and your constituents.

In convenience stores, tobacco sales account for nearly one third of all store sales. Increasing the cigarette excise tax will result in reduced store sales and profitability, as consumers tighten their wallets with the increased cost. Furthermore, this tax will force customers to take their business across state borders, into NH, where they can save approximately \$20 on a carton of cigarettes. During a time of inflation and economic uncertainty, this tax increase will have a negative effect on small businesses and jobs, as well as pushing Maine dollars across the border.

We have seen many states attempt to use a cigarette tax increase to generate additional budget revenue. 85% of the time, these same states miss the revenue projections on this tax increase. Customers will transition their buying habits to purchasing cigarettes in NH, and Maine will see its projected tax dollars, and the funding for this college of medicine, cross the border into NH. Thus, resulting in Maine seeing less revenue from the cigarette tax.

I appreciate you taking the time to hear my concerns, and I hope you consider the impact this tax increase will have on Maine businesses, residents, and the uncertainty it creates with revenue generation for the state.

Thank You.