

Rep. Paul Marquart and Tax Committee members

My name is Robert Coughlin the Government Affairs Lead for the Eby-Brown Company. Eby Brown is a wholesale distribution company that services a vast number of Convenience stores throughout MN. We are of member of NATO and the Minnesota Wholesalers Marketing Association.

Rep. Gov. Tim Walz's proposes to raise state cigarette and moist snuff taxes by 33% and assess new taxes on electronic cigarettes. Minnesota currently has the ninth-highest cigarette tax in the country at \$3.04 per pack. The governor wants to penalize retailers and consumers again by raising the tax another \$1 per pack. We ask that you reject this proposal in these difficult times.

The convenience store industry is already hard hit by the pandemic. The consumers are struggling and have record unemployment. This tax will harm businesses on the border with other states. You run the risk of losing not only the tobacco tax but the sales tax on gas, groceries and snacks that these border shoppers will also purchase elsewhere. The state will open itself up to even more unregulated sales through a black market. The higher the tax differential, the more of an incentive is created for criminal activity.

A state wide need for revenue should be shared by all citizens of the state, and not be carried by one segment of the population.

Thank you for your consideration,

Robert P Coughlin
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