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Indiana Cigarette Tax Proposal

The largest employer in Indiana is small business. Yet once again they are the target of higher tax proposals set forth by our leadership in the General Assembly. They are proposing a \$1.50 per pack increase on cigarettes.

The problem is this tax increase will not only affect adult smokers, but small businesses that rely on sales from these products to keep their businesses running.

Cigarettes are the top generator of revenue for Indiana's 6,740 retailers, accounting for nearly 32 percent of all in-store sales. Increasing taxes will encourage consumers to shop for the best deal possible, even if it means shopping in a surrounding state where tobacco taxes are lower.

Indiana consumers could save almost \$19 per carton of cigarettes (10 packs) by crossing into Kentucky to make their purchase. This is a huge savings for shoppers and it's clear how Indiana's retailers will lose business and revenue if the higher taxes pass. When other purchases, such as food, beverages and gasoline are factored-in, the impact to retailers is even more harmful.

Cigarette excise taxes are also regressive and hit low-income families hard because the higher tax takes a larger percentage of pay than it does for a higher-income person.

It's time to say enough is enough with higher tobacco taxes. They are an unreliable source of revenue too, as tax-paid cigarette sales have declined an average of 4.4% over the past 10 years in Indiana. So why would we want to try to increase this tax? Especially with an approach that will ultimately raise taxes on Indiana citizens and hurt our small businesses.

A handwritten signature in black ink, appearing to read 'Scott Carrico', is written over a white background.

Scott Carrico

Vice President, C.O.O.

Richmond-Master Distributors

South Bend, Indiana