***** Press Release *****

Industry Groups Oppose Statewide Flavored Tobacco Ban and Tax Increase on Cigarettes In New York State

A ban on flavored tobacco products will jeopardize $432.4 million per year in state tax revenue and risk the loss of thousands of jobs for low-and-middle-income individuals

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ALBANY, NY –Industry groups throughout New York State are opposing Governor Kathy Hochul's proposal that would implement a statewide ban on flavored tobacco products and raise taxes on packs of cigarettes by $1.00. Below, please see quotes attributed to New York Association of Convenience Stores (NYACS), Bodega and Small Business Group, Yemeni American Merchants Association (YAMA), and the Asian American Retailers Administration (AARA).

In New York State, over 13,000 licensed retailers sell flavored tobacco products, employing hundreds of thousands of people, and generating over $1.3 billion in state and local tax revenue annually. In addition to retailers, wholesalers and distributors depend on these sales and the employment associated with them. Banning the sale of flavored tobacco products, including menthol cigarettes would impact thousands of jobs. In addition to the economic impact on the workforce, this proposed prohibition would eliminate an estimated $454.8 million in state tax revenue per year and a loss of $12.9 million per year for the New York City government; a combined 10-year total of $3.5 billion in lost revenue.

Prohibiting the sale of menthol cigarettes, flavored cigars and other products will remove these products from regulated, taxed retail stores but will not prevent them from being accessed by consumers. These products will remain readily available to consumers in nearby states, on the flourishing criminal underground market for cigarettes, and on tribal land. In the 12 months following Massachusetts' ban of flavored tobacco products, menthol cigarette sales skyrocketed by over 126% in the Rhode Island and New Hampshire border counties. In addition to cross-border sales, the state also saw an increase in illegal smuggling, a problem New York is all too familiar with. In fact, the Mackinac Center for Public Policy found that nearly 54% of all cigarettes consumed in New York were smuggled in 2020, the highest in the Nation. A flavor ban is a guarantee that this criminal activity will become more prevalent in New York.

Before considering this ban, the state should assess the social and economic harm it would cause and analyze whether such a ban would achieve the desired results. Instead of a prohibition of these products, the government should instead focus on equitable harm reduction solutions that have been proven to work, like education, cessation support, underage prevention, and authorizing less harmful alternatives for all adult smokers.

Youth cigarette smoking is the lowest in a generation (1.3%) and youth menthol cigarette and cigar use are each at .08 percent respectively. Just last year the Administration announced a new all-time low adult smoking rate (12%) achieved with appropriate cessation targeting and no menthol or flavored cigar ban. None of this progress could be made without responsible retailers checking for ID and stopping kids' access to tobacco products. Prohibition not only does not work but such an extreme and harmful measure is not needed in order to lower smoking rates.

Prohibitionist policies and regressive taxes such as this will only hurt small businesses, strengthen the illicit underground market, eliminate jobs, and have no meaningful health impact on adults or children. Currently, the state is proudly opening retail spaces for recreational cannabis, allowing them to sell cannabis vape pens with flavors such as grapefruit, pineapple, cereal milk, and tropical. To attack tobacco retailers as vehicles for underage smoking while promoting flavored cannabis is hypocritical and unfair. And any ban on specific tobacco items while the state is legalizing and expanding retail cannabis sales is contradictory and punitive.

"The New York Association of Convenience Stores (NYACS) strongly opposes the Governor's proposal to ban flavored tobacco products, as prohibition will have no impact on smoking rates but will instead hurt small retailers and drive consumers to nearby states, Native Reservations, and the thriving underground market," said **Kent Sopris, President of the New York Association of Convenience Stores**. "It is additionally disingenuous for the state to propose banning flavored tobacco while publicly touting the sale of grapefruit, pineapple, and tropical cannabis vaping products."

"Neighborhood bodegas already face extraordinary challenges trying to serve the state's most underserved communities," said **Frank Marte, President of Bodega and Small Business Group**. "We already face a weak economy and unprecedented levels of shoplifting in our stores. The Governor's proposal to raise the cigarette tax and ban the sales of flavored tobacco will cost my members jobs and sales and drive more people to the black market."

“Small businesses in New York are at risk of being squeezed out by the proposed illegal tobacco regulations, which would only stimulate a larger underground market and encourage people to buy unregulated products,” said **Youssef Mubarez of the Yemeni American Merchants Association (YAMA).** “Unfortunately, statistics show that most cigarettes consumed within this area already come from illegal sources - this proposal could therefore further exacerbate an issue that is already impacting communities across the state. Let us not forget the case of Eric Garner.”

“Each day our members face competition from people selling illegal, untaxed tobacco products on the street corners of New York. That’s because New York already has the highest excise taxes in the country,” said the **Asian American Retailers Administration (AARA)**. “If you raise the tax on a pack of cigarettes by $1 and eliminate flavored tobacco products sales, New York's thriving black market will further explode. Prohibition doesn’t work. Prohibition, coupled with raising taxes, will be a huge disaster for our members.”

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