

**HARRY FOGELSTROM (GENERAL EQUITIES) TESTIMONY BEFORE THE
FINANCE, REVENUE AND BONDING COMMITTEE IN OPPOSITION TO AN
INCREASE IN THE STATE EXCISE TAX ON CIGARETTES AND OTHER
TOBACCO PRODUCTS**

Good morning Chairwoman Daily, Chairwoman Widlitz and members of the committee. I come before you today as one of the more than 4500 small businesses in Connecticut that sells tobacco products. I am proud to be a member of the business community in Connecticut. – and proud to provide jobs for over 400 people.

I've worked hard to build stores tailored to meet the demands of my community, and I love what I do. Like the rest of Connecticut's businesses, the last couple of years have challenged our stores like no time I can recall – and times are still very tough. As a small business owner, I can tell you that we have absorbed about all the blows we can.

I ask you today to please consider the concerns of Connecticut's retailers when evaluating the proposed \$0.40 per pack increase in the cigarette excise tax rate and the near doubling of the tax rates applied to other tobacco products. Tobacco products make up more than half of my total revenue. This is more than three times the amount of sales I generate from snacks, milk and magazines – combined.

Adult tobacco consumers in Connecticut have a choice of where to buy their tobacco products. A tax increase like the one in front of you today will weigh heavily in their decision. Some of my customers may find other places to buy their tobacco, such as across the state border to Massachusetts, where they would save almost 9 dollars a carton on cigarettes, and Rhode Island. They might also consider Native American reservations or other venues where the prices are lower because Connecticut's excise tax is not collected.

Losing tobacco sales like this is bad for our business and provides no tax revenue to Connecticut. Additionally, when our customers go to these places for their tobacco purchases, they also buy milk, snacks and many other goods that they would normally purchase at our stores. The impact to our business will be much more than simply selling fewer cigarettes.

I know Connecticut is facing tough economic times. So am I. So are my customers. I see it at the store level every day. I ask you today to choose a path that does not harm so many of Connecticut's small businesses.

Sincerely,

Harry Fogelstrom
Vice-President
General Equities

