



New England Convenience Store Association

SUBMITTED TO: Committee on Children
BY: Stephen Ryan, Executive Director
Connecticut Chapter
New England Convenience Store Association

February 16, 2015

RE: Proposed Bill No. 5461, AN ACT IMPOSING A TAX ON SUGARY SOFT DRINKS AND CANDIES.

Chairman Bartolomeo, Chairman Urban and Members of the Committee on Children, thank you for the opportunity to submit testimony today. The New England Convenience Store Association (NECSA) membership consists of independent, family owned convenience stores, independently owned franchise stores as well as chain-operated convenience stores. According to the National Association of Convenience Stores [‘NACS’] there are over 1500 convenience and/or fuel retailers operating in Connecticut employing over 18,000 people.

On behalf of NECSA’s convenience store owners and members, I respectfully ask you to not support Proposed Bill No. 5461 and the dramatic food and beverage tax it contains. House Bill 5461 would impose a tax of one cent per ounce on many beverages -increasing the price paid by consumers for some of these products by over fifty percent. In addition, it would increase the price of many food products consumers purchase every day.

This tax proposal would have a serious negative impact on the convenience store industry for many reasons including the following:

- 1) One significant concern to NECSA’s retailer members is that in this recovering economy, consumers are even more cost conscious when they shop beverages and food. **A new food and beverage tax will hurt consumers and retailers.** Connecticut retailers will likely lose significant food and beverage sales to retailers in neighboring states.
- 2) **The second highest inside store sales category for convenience stores is beverages** according to the National Association of Convenience Stores annual state of the industry report. This bill as drafted affects more than carbonated soft drinks and if passed, this bill will negatively impact those sales too. The convenience store industry simply cannot afford another tax increase on another one of their top sales products.
- 3) Additionally, **these types of regressive taxes significantly affect lower-income households who cannot afford tax increases-particularly during the current economic recession.**



New England Convenience Store Association

4) **Also, selective taxation of food and beverages leads not only to retailer confusion, but consumer confusion.** While it is not entirely clear from the language, it appears that certain juice beverages may be affected, but others may not. Additionally, some food products could be subject to this tax while other similar products may be exempt. Consumers and retailers alike will likely be more than confused.

5) NECSA members do not believe this proposed tax is fair or equitable. **We ask that you not create new taxes that negatively impact our businesses, our ability to provide jobs, and our customers.**

6) **If passed, a new food and beverage tax would be most harmful to stores in border towns and would be an incentive for CT residents to purchase beverages across the border in Massachusetts** where there is no such tax along with a less expensive tank of gas.

For these many reasons, we urge you to not support this new tax on food and beverages in Connecticut. Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in black ink that reads "Stephen J. Ryan". The signature is written in a cursive style with a large initial 'S'.

Stephen Ryan, Executive Director