



Korean-American Grocers Association of Oregon

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I am writing to represent Oregon Korean American Grocery Store owners and their thousands of employees throughout this State. While we can't attend the public hearing on the HB 2270, our board members and members urge you to vote no on on the bill and wish to have this written testimony submitted into the public record.

The Korean Grocery Association of Oregon is opposed to this bill because it would be devastating to our business. Our stores rely on the profit of tobacco sales to stay in business. We pay our taxes and we pay our employees. We do not rely on taxpayer funds to pay our employees. This bill would devastate our member stores and many of our stores would close. Some of our stores would have to lay off employees, at minimum.

House Bill 2270 would drastically increase the cigarette sales tax in Oregon. Not only will our members see a dramatic decrease in legal sales on cigarettes, we would also lose additional sales on things like water, gas, pop, candy, etc. that our customers buy in addition to their cigarette purchases. Our customers will find other resources to buy their cigarettes, like Native American stores, who don't collect taxes - or through other contraband means. Those sales will crush law abiding, tax paying, job-providing retailers. Now is not the time to force people out of their jobs, their businesses, and their livelihood. In this economy, our Representatives should be looking for ways to help small businesses survive and thrive, not put them out of business and force business owners to lay off employees.

This tax will also adversely effect low income Oregonians. It is a regressive tax that punishes those who can least afford it.

Please truly consider what this bill will do to all retailers throughout Oregon. Washington State recently enacted a similar tax and now the WA State Department of Revenue estimates that nearly 40% of all cigarette sales in Washington State are contraband. Nearly half! That is a number that the State of Oregon should NOT ignore.

We urge you to oppose House Bill 2270.

Sincerely

Young Man Yoo

President of Kagro of Oregon