

Submitter: Cody Payne
On Behalf Of: Bright Side Distributing
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB2528

Dear Chair, Vice Chairs, and Members of the Committee,

I am writing as a responsible distributor of alternative nicotine products to express strong opposition to House Bill 2528, which seeks to impose new taxes and broaden regulatory authority over products such as nicotine pouches.

As someone on the frontlines of retail and distribution in this space, I believe the practical consequences of this bill would do more harm than good — both to consumers and to Oregon's small businesses.

1. This bill punishes harm-reduction efforts.

Nicotine pouches are tobacco-free, smoke-free, and widely used by adults trying to quit or cut down on smoking. Taxing them at punitive levels sends the wrong message and risks pushing people back to cigarettes, undoing years of progress in harm reduction.

2. It's a regressive tax that hurts the very people lawmakers claim to protect.

Tobacco and nicotine taxes hit low-income Oregonians the hardest — the same people who are trying to make better health decisions with limited resources. As a business owner, I know this tax won't hurt large corporations. It will burden working-class adults and small businesses trying to do the right thing. HB 2528 disproportionately impacts those with the least ability to absorb these costs.

3. This is a fiscally unstable and shortsighted policy.

Cigarette tax revenues have proven volatile and unsustainable as consumption declines. There's no reason to expect a different result from taxing alternatives like nicotine pouches. This bill gambles on an unreliable revenue stream while building public programs around addiction — which should not be a budget strategy.

4. Higher Taxes Hurt Consumers and Increase the Cost of Living for Oregonians

Oregon already faces a high cost of living, and HB 2528 would only make it worse for everyday consumers. Nicotine pouches are widely used by adults seeking smoke-free alternatives to traditional tobacco products. Taxing these products at punitive levels would disproportionately impact low-income Oregonians, who are already struggling to make ends meet. This is not what Oregonians need — especially during a time when affordability is a top concern for families across the state.

5. Punitive Taxes Drive Consumers to the Illicit Market

Excessive taxation on harm-reduction products like nicotine pouches risks creating a thriving illicit market. When legal, regulated products become unaffordable, consumers often turn to unregulated sources, which lack safety standards and oversight. This undermines public health goals and creates new enforcement challenges. As a responsible distributor, I work hard to ensure safe, legal access to these products, but HB 2528 would make it harder for responsible retailers and distributors like us to compete with unregulated sellers. Oregon should focus on policies that encourage responsible retail practices, not ones that inadvertently fuel the black market.

As a responsible distributor, I take my role seriously in ensuring safe access to legal products. House Bill 2528 does not support that mission. Instead, it penalizes businesses committed to ethical practices.

I urge you to vote no on HB 2528.

Thank you for your time and consideration.

Cody Payne