



The Honorable Kathy Hochul, Governor
The Honorable Andrea Stewart-Cousins, Majority Leader
The Honorable Carl Heastie, Speaker

Dear Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie:

On behalf of the Yemeni American Merchants Association (YAMA), representing thousands of neighborhood small-business owners and their families across New York State, we respectfully urge you to reject Part K of S.9009/A.10009 (TED), which would impose a 75% tax on alternative nicotine products.

YAMA members operate bodegas and convenience stores that serve as essential retail anchors in working-class and immigrant communities. We share the State's goal of improving public health and preventing youth access to nicotine products. However, this proposal would harm low-income communities, undermine harm-reduction strategies for adult smokers, and further expand New York's already significant illicit market.

Undermining Harm Reduction:

A 75% tax on nicotine pouches would make these products nearly as expensive as combustible cigarettes, eliminating a key financial incentive for adult smokers to switch to smoke-free alternatives. Many nicotine pouch products have undergone FDA review and are authorized as reduced-risk, smoke-free options intended for adults seeking to move away from cigarettes. Increasing prices to cigarette-equivalent levels will push some consumers back toward combustible tobacco — the very outcome public health policy seeks to prevent — while creating new financial barriers for adults trying to quit smoking.

Youth Access Should Be Addressed Through Enforcement, Not Adult Pricing:

We recognize and take seriously concerns regarding youth usage. However, available data shows youth use of oral nicotine pouches remains extremely low nationally, in large part due to New York's strict 21-and-over sales law. A broad tax increase on adults attempting to switch products does not address youth access. Instead, the State should prioritize retailer compliance checks, targeted enforcement against illegal sellers, and youth education initiatives. Responsible retailers should be partners in prevention, not collateral damage.

Expansion of the Illicit Market:

New York already experiences the highest rate of illicit cigarette trafficking in the nation, with an estimated majority of cigarettes consumed coming from untaxed sources. Large tax increases consistently push consumers toward unregulated sellers. Extending this dynamic to alternative nicotine products will undermine public health safeguards, deprive the State of revenue, and advantage operators who ignore age verification and tax laws. Law-abiding small businesses will be placed at a severe competitive disadvantage against illegal operators.

Impact on Neighborhood Small Businesses and Communities.

For many small retailers, lawful nicotine sales drive essential store traffic that supports groceries, household goods, and everyday necessities. Part K would raise shelf prices, reduce legal sales, and add administrative burdens for stores already operating on narrow margins. The policy would disproportionately impact immigrant-owned neighborhood stores that rely on predictable legal sales to

keep their doors open and employees working. While the proposal is projected to raise revenue, limiting access to reduced-risk products may increase long-term healthcare costs by discouraging transitions away from combustible cigarettes. Evidence from international public health models demonstrates that maintaining lower taxes on safer alternatives can significantly reduce smoking prevalence and improve health outcomes.

For these reasons, YAMA respectfully requests that Part K of S.9009/A.10009 be removed from the final enacted budget. We remain committed to working with the State on policies that protect youth, support cessation efforts, combat illegal sales, and preserve small businesses that serve communities across New York.

Thank you for your consideration and for your continued commitment to the health and economic stability of New York's neighborhoods.

Respectfully,

Yemeni American Merchants Association (YAMA)