



**NABA**  
NATIVE AMERICAN BUSINESS ASSOCIATION  
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February 25, 2026

The Honorable Members of the New York State Assembly  
The Joint Legislative Budget Committee Hearing on Tax  
Albany, NY

Chair Kreuger, Chair Pretlow, and Members of the Committee:

The Native American Business Association (NABA), a national organization advocating for the economic strength, health, and sovereignty of Native American entrepreneurs and tribal enterprises, writes to express significant concerns regarding Part K of S.9009/A.10009 (TED), which would impose a 75% tax on alternative nicotine products, including smoke-free oral nicotine pouches. With members and tribal enterprise partners operating across dozens of states—including in the Northeast—NABA's perspective is informed by the lived economic and public health realities facing Native-owned businesses nationwide.

Across the United States, and especially in American Indian and Alaska Native (AI/AN) communities, combustible cigarette use remains a major driver of preventable disease, lost productivity, and economic strain. Public health data consistently show that AI/AN adults experience disproportionately high smoking rates, nearly twice the national average according to CDC data, elevated exposure to secondhand smoke, and greater burdens of tobacco-related illnesses—all of which ultimately affect family livelihoods, workforce participation, and the stability of Native-owned businesses. These realities make access to meaningful harm reduction pathways especially important.

Smoke-free nicotine alternatives—when supported by rigorous scientific evaluation—represent such a pathway. Federal public health authorities, including the FDA through its Modified Risk Tobacco Product (MRTP) review process, have recognized that properly regulated smoke-free products can reduce exposure to harmful chemicals for adults who smoke but are unable or unwilling to quit combustible cigarettes. Ensuring that legal-aged adults, including those in AI/AN communities, have access to accurate information and affordable, better alternatives to continued combustible cigarette use is aligned with common sense health equity goals and the broader objective of reducing disease burden that New York State—and all states—should prioritize.

Regrettably, Part K's proposed 75% tax would substantially undermine these goals. Dramatically raising the cost of smoke-free, non-combustible alternatives would create a considerable financial barrier for adults who smoke that could benefit from these products—particularly those in lower-income communities and with disparate negative health outcomes—by making reduced-risk options nearly as expensive as cigarettes. This outcome would discourage switching, curb health equity progress, and reinforce the misconception that all nicotine products carry equivalent levels of harm.



Moreover, by placing excessive taxes on regulated products, the proposal risks accelerating the expansion of illicit markets. Numerous states, including New York, already contend with widespread illegal sales of unregulated nicotine products—markets that evade taxes, ignore age restrictions, hurt small businesses, and pose additional risks to vulnerable communities. High tax rates on regulated alternatives historically drive consumers toward unregulated, untaxed substitutes—undermining both public health and the very revenue goals the proposal seeks to achieve.

From an economic perspective, the long-term costs of combustible cigarette use far outweigh the projected short-term revenue gains. Medicaid systems—federal, state, and tribal—already shoulder immense financial burdens stemming from smoking-related disease. Policies that impede adult smokers' ability to transition toward smoke-free alternatives would likely increase, not decrease, these expenditures over time while harming workforce readiness and productivity.

For AI/AN-owned businesses and tribal enterprises that already operate within challenging environments shaped by health and economic disparities, strategies that reduce smoking-related illness are essential to community resilience. It is also worth noting that many tribal nations administer their own health programs under self-governance compacts—programs actively working to reduce tobacco-related disease burden within their communities. State policies that raise barriers to harm reduction tools complicate those sovereign efforts and impose costs that tribal health systems can ill afford. New York State should be working in partnership with tribal stakeholders on these issues, not enacting policies that inadvertently undermine them.

For these reasons, NABA respectfully urges lawmakers to reject Part K and to instead pursue approaches that:

- Support culturally respectful, science-based harm-reduction strategies;
- Protect youth through strong enforcement against illegal sales; and
- Preserve legal-aged adult access to affordable, regulated, smoke-free alternatives that can reduce disease burdens and strengthen community wellbeing—consistent with existing FDA public health determinations.

Thank you for your consideration.

Respectfully,

Amanda Smith  
President