

February 26, 2026



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 Niagara USA Chamber of Commerce, representing employers and small businesses across the Niagara region, we write to express our strong opposition to Part K of S.9009/A.10009 (TED). The proposed 75% tax on alternative nicotine products would impose a regressive financial burden on the very New Yorkers who are already struggling with affordability, while undermining public health goals and harming small businesses throughout our communities.

By raising the cost of reduced risk nicotine products to near cigarette levels, this tax will keep many low income New Yorkers smoking, worsen affordability, and work directly against long term harm reduction and health care savings.

Harm Reduction Undermined

A 75% tax on nicotine pouches would eliminate the price incentive for adult smokers to switch to FDA reviewed, smoke free alternatives. Increasing their cost to cigarette equivalent levels risks driving adults back to smoking—contradicting the State’s public health goals and increasing long term healthcare costs.

Youth Prevention Requires Enforcement, Not Higher Adult Taxes

Youth usage of oral nicotine pouches remains very low, and New York already enforces a strict 21+ sales law. Raising taxes on adults does not address illegal youth access. Stronger enforcement, compliance checks, and education initiatives—not punitive taxes—are the most effective tools for prevention.

Risk of Expanding New York’s Illicit Market

New York leads the nation in illicit cigarette trafficking. Large tax increases consistently push consumers toward untaxed, unregulated sellers. Extending that dynamic to alternative nicotine products will undermine public health protections, reduce State revenue, and disadvantage compliant retailers.

Impact on Small Businesses and Local Communities

Family run, immigrant owned, and neighborhood retailers rely on lawful nicotine sales to drive essential foot traffic that supports groceries and household goods. Part K would reduce legal sales, increase administrative burdens, and threaten the survival of small businesses already operating on thin margins—particularly in the Niagara region.

For these reasons, the Niagara USA Chamber strongly urges that Part K of S.9009/A.10009 be removed from the final enacted budget. We support policies that:

- protect youth,
- save the state and employers billions in healthcare savings and productivity,
- expand access to harm reduction tools,
- combat illegal markets, and
- strengthen the economic stability of New York’s communities and small businesses.

Thank you for your consideration and for your continued commitment to supporting the health and economic well being of New Yorkers.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Craig W. Turner', with a stylized, cursive script.

Craig W. Turner
Interim Executive Director
Niagara USA Chamber of Commerce