



February 24, 2026

To the Chair and Members of the Committee:

My name is VJ Mayor, and I represent the Northeast Wholesalers Association (NEWA), representing members that consist of wholesalers, manufacturers, brokers, and others involved in the convenience products industry from nearly a dozen states in the Northeast region. I submit this testimony in strong opposition to the proposal in S9009/A10009 that would impose a 75% wholesale tax on nicotine pouches. This measure would undermine New York's public-health goals and repeat the failures of the state's current tax model. A risk-proportionate approach—taxing by relative harm—is the only path consistent with harm reduction and fiscal responsibility.

New York has spent years raising its cigarette excise taxes. Currently, the tax sits at \$5.35, making it the highest in the nation. Despite this, the state has simultaneously cultivated one of the largest illicit cigarette markets in the nation. Research from New York's own R-Street Institute demonstrates that the rise in taxes brought about a significant hike in the smuggling of illegal cigarettes into the state. Today, over half (54%) of available products are illegal, establishing New York as the illicit trade capital of the country with nearly 232 million packs smuggled in each year¹. This staggering amount of illicit volume also costs the state over \$1 billion annually in revenue.

On-the-ground evidence in New York City tells the same story. A 2024 study from Rutgers University using pack litter surveillance found that only 16.6% of collected packs bore the proper NYC tax stamps². Packs from states like Georgia and Virginia with notably lower taxes on their cigarettes were among the top packs found in all five boroughs. The consequence is a formidable illicit market that not only erodes public health impacts but heavily burdens revenue expectations for the state. Organized smuggling networks see opportunities to fill their pockets when egregious tax hikes are implemented, while funding for public health prevention and cessation programs never comes to fruition.

Nicotine pouches are smoke-free, tobacco-leaf-free oral products that deliver nicotine without combustion, which is the single-most important factor that drives the carcinogenic impact of smoking. Nicotine pouch products are instrumental to the concept of tobacco harm reduction through a continuum of risk. The FDA's own acting Director for the Center of Tobacco Products, Bret Kaplow, formalized this continuum of risk, with smokeless oral products at substantially lower risk than cigarettes³. He stated that "an adult smoker willing to switch to a lower risk authorized tobacco product needn't entirely relinquish tobacco in order to lower [their] risk", emphasizing the importance of products like nicotine pouches have in the harm reduction space⁴.

New York's proposed 75% tax on nicotine pouches ignores this continuum of risk recognized by the FDA and other public-health authorities worldwide. Treating high-risk and low-risk products as tax equivalents blurs these distinctions, diminishes the incentive for adult smokers to switch, and undermines the very harm-reduction principles that modern tobacco regulation seeks to advance.

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National Convenience
Distributors
Farmingdale, NY

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Core-Mark
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Executive Director

VJ Mayor, CAE
NEWA
Portland, ME

At its core, sound public-health taxation is built on a simple but essential principle: the greater the harm a product causes, the higher the tax should be. If the product is at a lower risk of harm, the corresponding tax should reflect this reality. The foundation of modern harm-reduction policy amplifies this reality: a risk-proportionate tax structure is not a concession to nicotine—it is a commitment to public health by encouraging the transition away from the products that cause the most harm.

For these reasons, we urge this committee to OPPOSE the outlined provisions relating to the 75% nicotine pouch tax in S9009/A10009.

Sincerely,

A handwritten signature in black ink, appearing to read "VJ Mayor". The signature is written in a cursive, somewhat stylized font. The "V" is large and loops around the "J". The "M" is also large and loops around the "A". The "Y" and "O" are smaller and more straightforward. The "R" is a simple vertical stroke with a small hook at the bottom. The signature is written on a light-colored background.

VJ Mayor, CAE

¹ [Over-regulation Creates More Problems Than It Solves: Bans in New York - R Street Institute](#)

² [Why Cheap Cigarettes From Other States Are a Costly Problem for New York City | Rutgers University](#)

³ [The Relative Risks of Tobacco Products | FDA](#)

⁴ [FDA's CTP acting director recognizes continuum of risk among tobacco products](#)