



February 25, 2026

The Honorable J. Gary Pretlow
Chair
The Joint Legislative Budget Committee Hearing on Tax
New York State Legislature

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Ramiro A. Cavazos
President & CEO

Dear Chair Pretlow,

On behalf of the United States Hispanic Chamber of Commerce (USHCC), we respectfully express our opposition to Part K of S.9009/A.10009 (TED), which proposes a 75% tax on alternative nicotine products. While we recognize and support the State's objective of promoting healthier outcomes for New Yorkers, we have significant concerns regarding the potential unintended consequences this measure may have on New York residents and the small business community.

The USHCC, America's largest Hispanic business advocacy organization, promotes the growth and development of more than five million Hispanic-owned businesses that contribute over \$800 billion to the national economy each year. Founded in 1979, the USHCC represents more than 260 local chambers and business associations alongside hundreds of major corporations. U.S. Latinos contribute more than \$4.1 trillion to the nation's GDP, and the USHCC is dedicated to supporting the communities driving this impact nationwide.

We appreciate the Legislature's commitment to advancing public health objectives and its efforts to address Medicaid funding shortfalls. However, the proposed tax on alternative nicotine products, including oral nicotine pouches, may produce unintended consequences. While intended to deter new users, the measure may also discourage adult smokers from transitioning to potentially lower-risk alternatives. By significantly increasing the cost of nicotine pouches, bringing prices close to those of combustible cigarettes, the tax could undermine efforts to support harm reduction efforts, particularly in lower-income communities where smoking rates are highest.

Given that smoking is a complex addiction, effective policy approaches should prioritize accessible and evidence-based cessation tools. Nicotine pouches represent an affordable and widely available option that may assist New York's approximately 1.4 million adult smokers in transitioning to reduced-risk alternatives. From a harm reduction perspective, these products can serve as a valuable component of broader public health strategies. Imposing a substantial tax on such alternatives may inadvertently create additional financial barriers for the very populations this proposal seeks to support.

As policymakers evaluate Part K, we urge careful consideration of the potential for accelerated growth in illicit marketplaces. Excessive taxation or product restrictions can create market gaps that are often filled by unregulated actors who circumvent legal requirements, evade tax obligations, undercut legitimate businesses, and distribute products without adhering to age restrictions. Like many other states, New York is already confronting these challenges, as illicit e-cigarettes and unauthorized tobacco products continue to enter the market, bypassing regulatory oversight, diminishing tax revenues, and increasing risks to consumers and communities while disregarding legal age requirements. Moreover, even well-intended policies may introduce operational challenges for small businesses, many of which rely on these products to support consumer demand and sustain their operations.



The United States Hispanic Chamber of Commerce supports tax policies that advance public health objectives while fostering an environment in which small businesses can succeed. We respectfully encourage the State Legislature to carefully evaluate these potential unintended consequences and engage with stakeholders to identify a more balanced and effective approach. Addressing these considerations will help ensure that New York continues to promote public health while supporting the economic vitality of the small businesses that are central to the state's long-term growth.

If you have any questions, please do not hesitate to reach out to Anthony Hinojosa, Vice President of Government and International Affairs, at ahinojosa@ushcc.com or via phone at 703-725-8461. We welcome the opportunity to engage in dialogue on this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Ramiro Cavazos".

Ramiro A. Cavazos
President and CEO
United States Hispanic Chamber of Commerce

CC. Members of the Committee