

February 4th, 2026

**House Committee on Finance
Rhode Island House of Representatives
82 Smith Street
Providence, RI 02903**

Subject: Opposition to Proposed Cigarette Tax Increase and Stamp Allowance Repeal in SFY27 Budget

Dear Chairman Abney, Vice Chairman Slater, and Members of the House Finance Committee,

We are Stacie and Alexis Coclin, co-owners of the Coclin Tobacco Corporation, and we are submitting this testimony in complete opposition to certain provisions in Governor McKee's Budget including the cigarette tax increase and the removal of the cigarette stamp discount for licensed distributors.

A cigarette stamping allowance exists to cover the licensed wholesaler's expenses in the collection and remittance of excise taxes. In Rhode Island, the stamping allowance of 1.25% is applied to the total cost of a roll of stamps, which comes out to around \$1,687.50 to offset the cost of affixing the stamps from one roll. This is not a "discount" for us, however, as it merely offsets a portion of the cost of buying a stamping machine (\$75,000-\$150,000) and maintaining said machine (\$2,500-\$5,000/year), not to mention the hours and labor to operate it (paying the RI minimum wage of \$16/hour). Removing this allowance would further exacerbate the costs of this mandatory work placed on us wholesalers by the state.

Keeping the stamping allowance system in Rhode Island is extremely necessary because wholesalers are then provided with the necessary financial means to perform the stamping responsibilities properly. Asking wholesalers to bear the entire costs of affixing stamps for the convenience of state excise tax collectors is extremely greedy and unfair. For these reasons, I strongly urge the members of this body to REJECT these provisions in Governor McKee's budget.

Sincerely,

Stacie and Alexis Coclin

Coclin Tobacco Corporation