

February 4<sup>th</sup>, 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,

My name is VJ Mayor and I am submitting testimony on behalf of NEWA in opposition to certain provisions in Governor McKee's Budget including the cigarette tax increase and the removal of the cigarette stamp allowance for licensed distributors.

NEWA represents wholesalers across the Northeast who service Rhode Island and would be negatively affected by the provisions outlined in this bill. A tax increase raises the amount wholesalers must front, while repealing the stamping allowance eliminates the only reimbursement that they get for performing the state mandated tax collection work. This raises the cost tremendously while cutting compensation at the same time. From their point of view, it increases risk and responsibility without any benefit.

Compliance and enforcement both suffer when stamping allowances are removed. Those allowances help fund proper equipment, maintenance, and staffing. When you remove the allowance and raise the tax, you negatively impact above-the-board businesses while increasing the risk of error as well as counterfeit products flooding the market.

Ultimately, you're asking wholesalers to finance, administer, and enforce a larger tax while removing the one mechanism that pays for that work. That is unsustainable and simply unfair to the wholesalers in my association, and it is for these reasons that I strongly urge the members here to OPPOSE these provisions in Governor McKee's Budget.

Sincerely,

VJ Mayor, CAE

Northeast Wholesalers Association