



January 12, 2026

House Ways and Means Committee
Testimony in Opposition to HB1596

Chair Janigian, Vice Chair Ulery, and Members of the House Finance Committee,

The Cigar Association of America (CAA) submits the following testimony in opposition to House Bill 1596, a bill that would increase New Hampshire state's taxes on little cigars. CAA is the leading national trade organization representing the interests of cigar manufacturers, importers, distributors, and major suppliers in the cigar and pipe tobacco industry. The CAA is a key stakeholder in this discussion, as the proposed change in law has the potential to significantly impact its members and their ability to conduct business in the State of New Hampshire.

There is no indication that increased cost on little cigars, as proposed in HB1596, will have a measurable impact on youth tobacco use. The most recent National Youth Tobacco Survey reports tobacco use is at the lowest level in 25 years.¹ Specifically, nationwide youth usage of any cigars is at 1.2% with "little cigars" representing only a fraction of that amount. Therefore, the tax increase on "little cigars", as proposed in HB1596, will have no measurable impact on youth tobacco use.

As history has shown, relying on tobacco tax to support entitlement programs, such as the childrens health insurance program, is a failing proposition. This is because adult tobacco use has also been in constant and accelerated decline. From 2011 to 2024, New Hampshire saw over 50% decrease in adult smoking.² Today, less than 1 in 10 New Hampshire adults are smokers and trends point to continued decline³. Relying on tobacco tax to finance entitlement programs only sets them up for future deficits.

But there are societal and economic costs to consider as well. HB1596 proposes increasing the current rate from \$1.78 to \$2.80 per package, a cost that will inevitably be passed down to consumers. As we know, excise tax is inherently regressive – targeting the very same populations that the legislation seeks to aide through funding of programs like the Granite Advantage Health Care Program. The burden of the tax not only falls on these vulnerable populations but also increases encounters with law enforcement that must deal with increased illicit sales. This is a combination of unintended outcomes that will be detrimental to these communities and the local small businesses serving them.

New Hampshire is past the point of diminishing returns as it relates to raising taxes on tobacco products. With overall tobacco use in the state at all time low, a tax increase, as proposed in HB1596, will have consequences opposite of what is desired -- taxing vulnerable populations, harming small businesses, and jeopardizing financial

¹ Jamal A, Park-Lee E, Birdsey J, et al. Tobacco Product Use Among Middle and High School Students — National Youth Tobacco Survey, United States, 2024. MMWR Morb Mortal Wkly Rep 2024;73:917–924. DOI: <http://dx.doi.org/10.15585/mmwr.mm7341a2>

² Centers for Disease Control and Prevention, "BRFSS Prevalence & Trends Data," 2020, <https://www.cdc.gov/brfss/brfssprevalence/>

³ Ibid



stability of entitlement programs. We encourage lawmakers to seek alternative funding policies that will better align with this legislation's intention of reducing the cost of health care for New Hampshire residents.

CAA appreciates the opportunity to submit this testimony in opposition to HB1596.

Respectfully submitted,

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