



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: HB 2535		DATE: 3/10/2026	
COMMITTEE: Veterans and Armed Forces			
TESTIFYING: <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: BRUCE F. KAHMKE		PHONE NUMBER: 314-570-3281	
BUSINESS/ORGANIZATION NAME: AMVET		TITLE:	
ADDRESS: 402 W 5TH ST			
CITY: ELDON		STATE: MO	ZIP: 65026
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: CHARLES C CANADY II		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
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CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 4:53 PM	
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Good evening,

Thank you for your attention to this matter. I am a combat veteran and a MO resident. Tara Peters is my representative. I apologize for not being able to attend today but I thank you for hearing my thoughts on this bill. The current exemption that exists was written by true politicians who wanted to look like they were doing something for veterans without doing anything at all. Under the current law you must be 100% service connected and be a POW. The key word is and, you must be both. Out of all the veterans in the world only about 6 people qualify for this exemption. It sounds good but the reality is, it's useless. HB 2535 changes the impact and will make a difference in veterans lives. With this new legislation if it were to pass would effect about 80 thousand veterans state wide out of the 3.2 million people residing in the state which is a very small percentage. But what you can't see or calculate right now is the additional money veterans will be spending in the local economy, leading to additional jobs, and other economic benefits. This will help incentivize veterans to stay in Missouri and create jobs and other revenue streams. Veterans for the most part are people of good moral character, hard working people who pour into their communities and make impacts across the spectrum. If you want veterans to continue to leave when their military service is done then don't pass this bill...however, if you would like more veterans and their families to stay then pass this bill and give them a reason to want to stay. Thank up.



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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: D. ANDREW DAVIS		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: DEANNA RHODES-WIDMER		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
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EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/9/2026 11:51 AM	
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We need to honor our Veterans and the sacrifice they have given. I support this legislation.



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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: JONATHAN THOMPSON		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 3:42 PM	
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?My name is Jonathan Thompson, and I am a constituent from Richmond, Missouri. I am writing to express my strong support for HB 2535.

?I am a 100 percent disabled Army veteran and currently work as an Emergency Department registered nurse. I served as an Explosive Ordnance Disposal technician after enlisting out of Kansas City and completed one combat tour in Afghanistan. Following my military service, I spent time living in Texas. Moving back to Missouri from Texas, a state that does not have property taxes whatsoever for 100 percent disabled veterans, was a difficult choice financially, but my love for Missouri and the need to raise my son near family was more important.

?Military service has been a multi-generation commitment in my family. My grandfather served twenty-eight years in the Missouri Air National Guard, my father served in the Missouri Army National Guard until he was medically retired from injuries sustained in Afghanistan, and my brother currently serves at Rosecrans Air National Guard Base. Because of that history, issues affecting Missouri veterans matter deeply to me.

?As both a veteran and an emergency department nurse, I have seen firsthand how financial stability directly impacts long-term health, housing security, and overall wellbeing. Programs that provide meaningful property tax relief help ensure that disabled veterans can remain in the communities they served.

?HB 2535 represents an important step toward making Missouri more competitive in attracting and retaining veterans. I especially appreciate the sliding scale structure that directs the greatest relief to those with the most significant service-connected disabilities. I also appreciate that the bill funds the veteran property tax exemption through increased tobacco and marijuana taxes, ensuring local governments, including schools and counties, are reimbursed while still providing meaningful relief. ?I would respectfully offer three points for consideration as the bill is discussed:

?The 5-acre limit: In rural areas such as Ray County, many veteran homesteads exceed five acres. My own property is nine acres, which is common for rural residences. I encourage the committee to consider language that allows flexibility for larger rural homesteads so that veterans in these communities are not unintentionally disadvantaged.

?Personal property synergy: While this bill focuses on real estate, I hope the committee will consider how this works alongside related proposals such as HB 2672 to address the overall tax burden on

disabled veterans, including personal property taxes on vehicles.

?Prorated reimbursements: While I appreciate the creation of a reimbursement fund, I would encourage consideration of language clarifying that reimbursements could be prorated among taxing entities if revenues in the fund are ever insufficient. This would address fiscal predictability concerns for counties and school districts.

?I care deeply about Missouri remaining a place where veterans can afford to live, work, and retire. Thank you for your leadership on this issue and for your dedicated service to our state.



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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: RYAN BREWER		PHONE NUMBER:
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CITY:		STATE: ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/5/2026 12:43 PM
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Chairman and Members of the Committee,
I am a Missouri veteran and I support legislation that provides property tax relief for disabled veterans. Rising property taxes impact veterans and their families across our state. Please move these bills forward so disabled veterans can receive the relief they have earned through their service. Thank you for your consideration.



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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: TONY LASZACS		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
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CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: ARNIE C. A.C. "HONEST ABE" DIENOFF		PHONE NUMBER: 314-440-9000	
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WITNESS NAME			
REGISTERED LOBBYIST:			
WITNESS NAME: JAKE SILVERMAN		PHONE NUMBER: 314-757-1135	
REPRESENTING: MO VAPE AND ALTERNATIVE PRODUCTS ASSOCIATION, MO HEMP TRADE ASSOCIATION		TITLE:	
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CITY: CHESTERFIELD		STATE: MO	ZIP: 63017
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
REGISTERED LOBBYIST:			
WITNESS NAME: RON LEONE		PHONE NUMBER: 573-635-7117	
REPRESENTING: MPCA-MO PETROLEUM AND CONVENIENCE ASSOC.		TITLE:	
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CITY: JEFFERSON CITY		STATE: MO	ZIP: 65101
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: SARAH BERRY		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
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CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/5/2026 9:28 AM

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As a descendant of three generations of U.S. military service — including Revolutionary War militia service, Spanish-American War volunteer service, and Korean War-era Army service — I strongly support honoring veterans and Gold Star families. Respect for military service, however, does not justify structurally unsound tax policy.

HB 2535 creates a permanent property-tax exemption program funded through volatile excise taxes on tobacco, nicotine products, and hemp-derived consumables.

Consumption-based taxes are historically unstable revenue sources and are already declining in several of the markets this bill targets.

Creating a permanent entitlement obligation dependent on fluctuating consumption taxes raises significant long-term fiscal sustainability concerns.

The bill further combines multiple unrelated tax regimes — property-tax exemptions, nicotine taxation, cannabinoid taxation, and regulatory amendments — into a single legislative vehicle.

This type of multi-policy packaging reduces transparency and complicates meaningful legislative review.

Additionally, HB 2535 establishes a dedicated “Veterans Property Tax Relief Fund” insulated from the Missouri Sunset Act and structured to accumulate earmarked tax revenue outside the normal budgetary review process. Once created, such dedicated funds can become difficult to unwind or reform, particularly if projected revenue streams decline.

Veterans deserve durable and transparent support mechanisms funded through stable policy choices, not through complex multi-tax structures dependent on fluctuating consumption markets.

For these reasons, HB 2535 should not advance in its current form.

Rev. Sarah M. Berry



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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: LINDSEY STROUD		PHONE NUMBER: 757-354-8170	
BUSINESS/ORGANIZATION NAME: TOBACCO HARM REDUCATION 101		TITLE: FOUNDER AND PRESIDENT	
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Missouri's Tobacco Tax Plan Undermines Harm Reduction

KEY POINTS:

Proposal Overview: Missouri lawmakers introduced HB 2535 to fund property tax relief for disabled veterans, Purple Heart recipients, and Gold Star spouses by raising cigarette taxes and creating new excise taxes on nicotine, vapor, OTP, paraphernalia, and hemp-derived products.

Tax Increases Detailed: The bill would raise the cigarette tax from \$0.17 to \$0.27 per pack, impose a new 10 percent excise tax on vapor products and non-tobacco nicotine products, increase the OTP tax from 10 percent to 12 percent, and apply a 10 percent tax on tobacco paraphernalia and hemp-derived consumables, with revenues directed to the Veterans Property Tax Relief Fund.

Harm Reduction Undermined: Applying excise taxes to lower-risk alternatives like vapor products and nicotine pouches contradicts public health goals by discouraging switching away from combustible cigarettes, which cause the overwhelming share of tobacco-related disease.

Regressive Impact: Cigarette and nicotine taxes are highly regressive, falling hardest on lower-income adults, who are far more likely to smoke and vape. In 2024, 33.3 percent of Missourians earning \$25,000 or less smoked, compared to 9.6 percent of those earning \$50,000 or more.

Limited Effectiveness of Past Taxes: Missouri's cigarette taxes have barely reduced smoking among low-income adults, with declines averaging 0.08 percent annually from 2004-2024, compared with 2.6 percent per year among higher-income adults.

Vaping Concentrated Among Lower-Income Adults: In 2024, 30.4 percent of Missourians earning \$25,000 or less reported vaping, versus 8.2 percent of higher-income adults – meaning new vape taxes would also be disproportionately burdensome.

Veterans Disproportionately Affected: Veterans and active-duty military members smoke and vape at higher rates than civilians, so a tax plan funding veteran relief through tobacco and nicotine taxes would tax veterans more heavily than the general population.

Evidence on Veteran Use: Research shows nearly one-quarter of veterans currently use tobacco, with

higher cigarette use among older veterans and higher e-cigarette and poly-use among younger veterans, particularly those receiving care through the VHA.

Missed Opportunity on Cessation: Missouri already devotes minimal tobacco revenues to cessation – only \$2.9 million out of \$219.6 million in 2024 (about 1.1 percent). Raising taxes without reinvesting meaningfully in quitting support is unlikely to reduce smoking.

Bottom Line: While aiding veterans is commendable, HB 2535 relies on regressive taxes that penalize low-income adults and veterans while undermining harm reduction. Missouri should pursue alternative funding mechanisms and expand cessation and harm-reduction access rather than taxing safer alternatives that help adults move away from smoking.

In an effort to provide property tax relief for military veterans, legislation has been introduced in the Show-Me State that would increase Missouri's excise tax rate on combustible cigarettes, create new taxes on nicotine and vapor products, and raise the tax on other tobacco products (OTP). While providing relief to American veterans is a laudable goal, increasing tobacco taxes disproportionately harms lower-income adults, and imposing excise taxes on alternatives to combustible cigarettes undermines their harm-reduction potential. Further, it is well established that military members and veterans smoke and vape at rates higher than the general population – meaning this proposal would effectively tax veterans more heavily in order to reduce tax burdens elsewhere.

House Bill 2535 repeals and reenacts portions of Missouri's tax code to establish a property tax exemption program for disabled veterans, Purple Heart recipients, and Gold Star spouses. The program would be funded through new and increased taxes on cigarettes and other tobacco products, including cigars and smokeless tobacco; alternative nicotine products such as nicotine pouches; vapor products; tobacco paraphernalia; and a newly created tax on hemp-derived products, including CBD and Delta-variant products. All revenues generated would be deposited into the Veterans Property Tax Relief Fund (VPTRF).

Under the proposal, Missouri's tax on combustible cigarettes would increase from eight and one-half mills per cigarette (\$0.17 per pack) to 13.5 mills per cigarette (\$0.27 per pack). One hundred percent of the additional five-mill-per-cigarette tax would be directed to the VPTRF. HB 2535 would also impose a new 10 percent excise tax on vapor products and alternative nicotine products that do not contain tobacco, assessed at the manufacturer or distributor invoice price. All revenues from these new taxes would be deposited into the relief fund.

The legislation would further increase the OTP tax from 10 percent to 12 percent of the invoice price. The additional two percent would be deposited into the VPTRF, while the original 10 percent would continue to be allocated to the Health Initiatives Fund. In addition, HB 2535 would apply a new 10 percent excise tax to tobacco paraphernalia, including vape devices and hardware, hookahs, pipes, rolling machines, and other accessories used for combustion or vaporization. Hemp-derived consumable products would also be subject to a 10 percent excise tax.

While providing property tax relief to veterans is a worthy objective, cigarette taxes are among the most regressive taxes imposed by states and disproportionately burden lower-income and lower-educated adults. Moreover, excise taxes are intended to discourage the use of the most dangerous products. Applying these taxes to tobacco harm-reduction products – such as oral nicotine and vapor products, which are substantially less harmful than combustible cigarettes – runs counter to public health goals and undermines tools that have helped adults transition away from smoking.

According to data from the Centers for Disease Control and Prevention, 14.7 percent of Missouri adults were current smokers in 2024, representing more than 716,000 individuals. Low-income adults were 3.9 times more likely to smoke, with 33.3 percent of adults earning \$25,000 or less reporting current smoking, compared to just 9.6 percent of adults earning \$50,000 or more.

Missouri's existing cigarette tax structure has also failed to significantly reduce smoking rates among

lower-income populations. Between 2004 and 2024, smoking rates among adults earning \$25,000 or less declined by an average of just 0.08 percent annually, while rates among adults earning \$50,000 or more declined by 2.6 percent per year during the same period.

Similarly, low-income Missourians are more likely to use vapor products. In 2024, 30.4 percent of adults earning \$25,000 or less reported current vaping, compared to 8.2 percent of adults earning \$50,000 or more. Low-income adults were 1.6 times more likely to vape.

Despite its stated goal of helping veterans, this legislation would place a disproportionate tax burden on that very population. Veterans and active-duty military members are more likely than civilians to use combustible cigarettes and alternative nicotine products, meaning they would bear a greater share of the new taxes.

An October 2025 study published in *Nicotine & Tobacco Research* examined differences in tobacco use between veterans and civilians. The study found that nearly one-quarter of veterans reported current tobacco use, with 19 percent smoking combustible cigarettes. Patterns of use varied by age: younger veterans aged 18–34 had higher risks of cigar use, e-cigarette use, and poly-tobacco use, while older veterans were more likely to smoke cigarettes. The study also found that veterans receiving care through the Veterans Health Administration were more likely to use combustible cigarettes and other combustible products than veterans receiving care from non-VHA providers.

Compounding these concerns, Missouri devotes only a negligible share of existing tobacco revenues to helping adults quit smoking. In 2024, the state collected \$219.6 million in tobacco-related revenues – a 3.7 percent increase from 2023, representing an additional \$9.8 million. Yet Missouri allocated just \$2.9 million to tobacco control programs, including cessation, education, and youth prevention – no increase from the prior year. This represents only 1.1 percent of tobacco revenues. Put another way, for every \$1 Missouri received in tobacco monies in 2024, it spent just one cent on tobacco control.

Rather than imposing broad and punitive taxes on combustible cigarettes and harm-reduction products, Missouri lawmakers should explore alternative mechanisms to provide property tax relief for veterans without inadvertently taxing them more heavily. Lower-income adults and veterans are more likely to use these products and would be disproportionately harmed by additional excise taxes. Expanding access to effective smoking-cessation and harm-reduction programs could help reduce long-term healthcare costs associated with smoking – freeing up resources that could be directed toward meaningful property tax relief for Missouri's veterans.

<https://www.thr101.org/post/missouri-s-tobacco-tax-plan-undermines-harm-reduction>



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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: STAN		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
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CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 2:54 PM

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I am retired after a 45-year career in public health (33 years with Dept of Health & Sr Services; 12 years with University of Missouri – Columbia, School of Medicine), with the last 18 years focused on lessening the impact of tobacco on youth, adults, public health, and the state’s economy.

After hearing Mr. Leone’s testimony, I am compelled to respond to false assertions he made regarding tobacco excise taxes.

First, he stated cigarettes are already heavily taxed. He listed a federal tax of \$1.01; a state excise tax of 17¢; local and state sales taxes; and some local tobacco excise taxes.

Regardless his assertion, Missouri remains the lowest state for cigarette taxes. The national average for state cigarette tax is \$2.05 per pack; over 12 times the Missouri tax. What Mr. Leone did not mention is that tobacco use is by far the leading cause of preventable illness and premature death - - and that a substantial increase in the price of cigarettes will lead to more smokers quitting and fewer people contracting illness and/or dying. Every 10% increase in the cost of cigarettes leads to a 4% reduction in consumption among adult smokers and a 6%-7% reduction among youth smokers.

Rep. Mayhew mentioned Medicaid accounts for about 40% of the state budget. Data from Campaign for Tobacco Free Kids reports Medicaid costs for Missouri at \$692 million (<https://www.tobaccofreekids.org/problem/toll-us/missouri>)

So, rather than cigarettes being heavily taxed, as Mr. Leone asserts, cigarettes in Missouri are being heavily subsidized by the Missouri taxpayers.

Second, Mr. Leone said smokers are a small and decreasing population unfairly picked on to fund this bill. He didn’t mention why this population is decreasing. One reason is that older smokers are dying off and not enough younger smokers are replacing them. Another reason is that vapor products have led some smokers to switch and, unfortunately, attracted many youth to become addicted to this nicotine source.

Third, Mr. Leon said the voters have already rejected four ballot measures to increase this tax. What he didn’t share:

- 2006 the measure was defeated 50.5% to 49.5%
- 2006 the measure was defeated 51% to 49%

In both of these elections, the opposition, including Mr. Leone, made false and misleading claims

- 2012 and 2016, the measures were insufficient and were not supported by American Heart Assn, American Cancer Society, American Lung Assn and other public health groups.

A staffer from the Dept. of Revenue testified for informational purposes.. He noted how Missouri’s low cigarette tax attracts illegal activity. This reminded me of at least two incidents back when I was manager for the Tobacco Use Prevention Program for the state health department –

- 1) A St. Louis Post-Dispatch news story reported the FBI arrested a Lebanese national at

Lambert airport for possession \$400,000 in counterfeit cigarette tax stamps. He had planned to buy cheap Missouri cigarettes and affix the counterfeit stamps for re-sale in another state. He admitted this was to raise funds for Hezbollah. At that time, South Carolina had the lowest cigarette tax in the nation at 5¢ per pack. I called my counterpart at that state's health department and she reported they had a similar arrest of two Lebanese nationals, also with counterfeit stamps and plans to buy cheap cigarettes for re-sale in another state, and to raise money for Hezbollah. Thus, Missouri's low tax inadvertently was funding a terrorist organization.

2) In another St. Louis Post-Dispatch news story about smuggling of Missouri cigarettes to Chicago for re-sale, an FBI agent stated a Ford Explorer loaded with Missouri cigarettes transported to Chicago would pay for the cost of the Explorer in just four trips.

Another observation, many states have limits on how many cigarettes can be brought into their states before taxes are due. For Illinois, that number is 199 cigarettes, just 1 cigarette shy of a carton. Thus, if someone from Illinois buys a carton in St Louis and doesn't pay the Illinois tax, they are guilty of tax evasion. Mr. Leone often asserts Missouri's low tax brings in a bonanza of tax revenue, but he is actually condoning tax evasion.

The 10¢ tax proposed in HB2535 will have no effect on spurring smokers to quit nor on cross border sales.



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WITNESS NAME		
BUSINESS/ORGANIZATION:		
WITNESS NAME: ZACHARY WYATT		PHONE NUMBER: 573-751-0191
BUSINESS/ORGANIZATION NAME: DEPT OF REVENUE		TITLE: LEG DIRECTOR
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CITY: JEFFERSON CITY		STATE: MO
		ZIP: 65101
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM
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