

Chairman Smith and Committee Members.

Thank you for allowing me to testify.

My name is Ron Milburn, I am the Director of Ohio Operations for the Associated Food & Petroleum Dealers.

AFPD represents approximately 500 individual retail business owners in Ohio who employ approximately 6,000 employees.

I have surveyed our membership in reference to the Governor's Budget proposal asking that the tax on cigarettes be increased by \$1.00 per pack. In my survey AFPD members made it very clear the increase would have such an impact on the loss of cigarette sales which in turn would have a huge decrease in the business profits. This alone could cause them to make adjustments that could cause laying off employees, reducing hours of employees, possibly causing health insurance and other employee benefits to be reduced or eliminated.

Independent small business owners are at a point where they are just starting to show a recovery in the operation of their businesses as the result of economic conditions. **I have been told by each of those surveyed, there is a major concern that with the increased cost of a pack of cigarettes it would increase theft and robberies that are already a big problem in this industry.**

Respectively,

Ron Milburn