



March 9, 2021

Aphelion Cigar Lounge 410-721-1700
2510 Conway Road, Ste. 106, Gambrills 21054
Broadleaf Tobacco 410-315-8118
487 Ritchie Highway, #101, Severna Park 21146
Burnt Leaf 443-272-7206
487 Ritchie Highway, #101, Severna Park 21146
Cross Street Tobacco 410-752-9220
1103 Light Street, Baltimore 21230
Dan's Cigar Lounge 410-780-5959
8300-B Pulaski Highway, Rosedale 21237
Davidus Cigars 301-865-1000
2134 Generals Highway, Annapolis 21401
1300 Bank Street, Baltimore 21231
1716 Liberty Road, Eldersburg 21784
9180 Baltimore National Pike, Ellicott City 21042 529
West South Street, Frederick 21701
25 Olney Sandy-Spring Road, Ashton 20861
10810 Reisterstown Road, Owings Mills 21117
11632 Rockville Pike, Rockville 20852
15922 Shady Grove Road, Gaithersburg 20832 8925
Fingerboard Road, Urbana 21704
23 East Main Street, Westminster 21157 25
Allegheny Avenue, Towson 21204
Easton Cigar & Smokeshop 410-770-5084
6 Glenwood Ave, Easton 21601
Etch-Art Awards 410-202-6616
931 Mount Hermon Road, Salisbury 21804
Fire & Smoke Cigar Parlor 443-970-6634
6827 Loch Raven Blvd., Towson 21286
Leonardtwn Cigar 240-309-4108
40955 Merchants Lane #14, Leonardtown 20650
Main Street Cigar Company 410-734-4494
2217 E. Churchville Road, Bel Air 21015
Mount Vernon Tobacco 410-728-5669
221 W. Read Street, Baltimore 21201
Mt. Washington Cigar Co. 410-377-4711
5909 Falls Road, Baltimore 21209
Oakleigh Beach Tobacco 410-388-8080
702 Wise Avenue, Dundalk 21222
Office Cigar Lounge at QG 410-685-7428
31 S Calvert St, Ste 300, Baltimore 21202
Quartermasters Cigars 410-898-2134
880 Northeast St, Frederick 21701
Senor Cigars 410-524-2069
11805 Coastal Highway, Ocean City 21842
3314 Coastal Highway, Ocean City 21842
Signature Cigars 301-424-8833
1331 Rockville Pike, Rockville 20852
4919 Cordell Avenue, Bethesda 20814
Spartan Cigar Lounge 443-350-9808
128 East Pulaski Highway, Elkton 21921
The Book Center 301-722-8345
15 North Centre Street, Cumberland 21502
The Humidour Cigar Shoppe 410-666-3212
2 Sherwood Road, Cockeysville 21030
TinderBox #398 301-374-9100
2754 Crain Highway, Waldorf 20601
Titan Cigar 410-721-2944
2634 Chapel Lake Drive, Gambrills 21056
Tobacco Leaf 410-799-2094
7351 Assateague Drive, Jessup 20794
W. Curtis Draper Tobacconist 301-907-7990
4916 Del Ray Avenue, Bethesda 20814

Favorable With Amendment on HB 1324

Madame Chair and members of the Committee,

The Premium Cigar Retailers Association of Maryland represents over 30 adult only brick and mortar premium cigar specialty stores in the State. Members of the PCRA have appeared before your committee on several matters in previous years and we thank you for the opportunity to testify again.

We write today as Favorable With Amendment on HB 1324.

We thank the sponsor for bringing this bill and we support the intent of this bill.

Our narrow amendment is limited to subsection II of page 11.

We are concerned that this subsection creates an opportunity for out-of-state premium cigar sellers to substantially avoid paying the wholesale tax in Maryland. Subsection II of page 11 states:

“If the actual price paid by an out-of-state seller for a stock keeping unit is not available, the average of the actual price paid by an out-of-state seller for a stock keeping unit over the 12 calendar months before January 1 of the year in which the sale occurs.”

We are uncertain as to how the actual price paid for a certain cigar would be unknown to the out-of-state seller. If the actual price paid is unknown, how would the Comptroller determine the average price of the prior twelve-month period? What if the cigar is a unique stock keeping unit? How would the price paid be determined?

This subsection creates ambiguity and we prefer that:

- the subsection be struck from the bill or
- leave it to the Comptroller to address this scenario through regulations should it be needed or
- clarifying language be added as to how exactly the price for taxation purposes would be determined if the actual price is unknown.

We believe that our amendment tightens up the language up the bill and ensures that there is a level playing field between out-of-state and in staller sellers.

For these reasons we respectfully ask for our amendment to be adopted on HB 1324.

Sincerely

Matthew Bohle, Patrick Roddy and Obie Chinemere of RWL – 410-269-5066