



TO: Senate Finance Committee
FROM: Nick Torres – Director, Advocacy
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DATE: March 3, 2026
SUBJECT: Opposition to Senate Bill 26-086

The American Lung Association works on behalf of the 34 million Americans, including more than 700,000 Coloradans, living with lung diseases like asthma, COPD, and lung cancer.

Tobacco use remains the leading cause of preventable death and disease in the United States, and here in Colorado. In all, tobacco use claims the lives of nearly 500,000 people in the United States each year. Decades worth of research and realworld examples are clear: one of the most effective policy measures to address smoking rates is to *increase* taxes on tobacco products and invest those funds into tobacco control programs including prevention and cessation efforts.

The Colorado General Assembly and Colorado voters should be applauded for doing just that. Voters have overwhelmingly supported higher taxes on tobacco products via Amendment 35 in 2004, Proposition EE in 2020, and again with Proposition II in 2023.

The Lung Association believes that all tobacco products should be taxed equally across all product categories. We oppose carve-outs for particular types of tobacco products. Senate Bill 26-086 is proposing a special, lower tax rate for a certain category of cigars. But a cigar, no matter how high-end, is still a tobacco product. In fact, the amount of tobacco in a large premium cigar in many cases equals the same amount of tobacco in an entire pack of cigarettes.

In addition to the public health implications, the fiscal impact of a tax cut on these products is particularly concerning given the overwhelming budget pressures on the General Fund this year.

According to the [Lung Association's 2026 State of Tobacco Control](#) report, Colorado earned a "C" grade for tobacco taxes. There is more work that our state should be doing to increase taxes on tobacco products. Lowering these taxes is precisely the wrong approach.

Finally, cutting taxes on tobacco products would mean cuts to important programs that rely on this revenue, like local health department prevention grants, the state's Tobacco Quitline, 1-800-Quit-Now, and The Rural Schools Cash Fund.

We ask that you continue Colorado's commitment to a public health and respectfully request a No vote.

Senate Finance

03/03/2026 02:00 PM

SB26-086 Reduce Premium Cigar Excise Tax Rate

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Glynn Loope For Premium Cigar Association	<p>On behalf of the Premium Cigar Association and our affiliated Colorado Premium Cigar Association, we are writing in support of SB 86 which calls for a 20% tax ceiling on premium handmade cigars.</p> <p>Colorado currently has the highest tax rate on such products of any border state except Utah, with AZ, NM, WY, NE, and KS all significantly lower; and more regionally of the western states, Washington State, Oregon, Montana, Nevada and Idaho each have such a cap. Nationally a total of seventeen states have such tax policy as proposed in SB 86, and another seven states have versions under consideration.</p> <p>The current 56% tax rate places Colorado small businesses at a competitive disadvantage, which will be further exasperated when the rate goes to 62% in one year. Our member shops, totaling less than twenty statewide, are community small businesses that cater to a discerning adult clientele.</p> <p>It needs to be reinforced that this is not a public health issue. Independent studies have clearly denoted the lack of statistically significant impact in the arena of inhalation, addiction and mortality, as well as youth access. We can submit these studies for the committee's review. Not one more or less cigar will be enjoyed as a result of this legislation, but it will determine where it is purchased - which should be at a Colorado small business. One independent economic model estimates that Colorado state and local tax collections will increase by \$2,295,804 with passage of SB 86.</p>

	<p>We appreciate Senator Sullivan bringing this bill forward, and appreciate the committee's consideration. Please contact me with questions or need for additional information.</p> <p>Sincerely,</p> <p>Glynn Loope, Director of State Advocacy Premium Cigar Association 540-968-0402 Glynn@PremiumCigars.org</p>
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Chair, Members of the Colorado State Senate Finance Committee:

I rise today in grave opposition to SB25-086, this reckless attempt to reduce the excise tax on premium cigars.

Have we learned nothing?

In Colorado, we proudly regulate constitutionally protected firearms with the steady hand of reason and tyranny. We limit magazines to 15 rounds because no one needs more than that. We impose waiting periods so people can sit quietly and reflect on their life choices. We levy a 6.5% excise tax on guns, ammo, and parts because safety clearly increases with taxation.

And yet today... we are being asked to LOWER taxes on premium cigars.

This is chaos.

What's next? Unlimited cigar capacity? Unregistered humidors? High-capacity cigar boxes capable of holding more than 15 stogies?

Where is the common sense?

If consistency matters, then I suggest the following amendments:

- Limit cigar purchases to 15 per transaction. Nobody needs more than 15 premium cigars at once.
- Impose a mandatory three-day waiting period before a cigar can be lit. Cooling-off periods save lives.
- Require background checks for cigar cutters. We must ensure sharp objects do not fall into the wrong hands.
- Require a permit to purchase premium cigars. Local health departments will control the permitting process. It must include 12 hours of class time learning about the risks of smoking premium cigars and a 90% pass rate on how to smoke cigars without burning yourself.
- Require a permit to conceal carry cigars. No more sticking them in your suit pocket without a damn permit to do so!
- Require cigar shops and other vendors of premium cigars to record each and every cigar purchase in a special yet to be created registrar.
- Ban factory seconds also known as “ghost cigars” given they lack identification.
- Ban the private sale and transfer of:
 - Cigar cutters
 - Humidors
 - Lighters
 - Cigar ashtrays

These accessories are being used with ghost cigars and it must stop

I am especially concerned that this bill is sponsored by Tom Sullivan, the same legislator who sees no problem increasing taxes and restrictions on lawful firearm ownership but suddenly becomes a champion of tax relief when the product in question pairs nicely with his single malt scotch.

If excise taxes are moral instruments designed to shape behavior, then luxury tobacco seems like a prime candidate for higher rates, not lower ones.

Unless the principle is not taxation for public good, but taxation for selective disapproval.

So, I respectfully urge this committee to reject SB25-086, not because premium cigars are dangerous, but because apparently in Colorado, fairness is flammable.

Thank you,

Jeffrey L Schottler, CFA
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