

# DIEBEL'S SPORTSMENS GALLERY

4620 W 119<sup>TH</sup> STREET LEAWOOD, KANSAS 66209

(913) 663-0123



Distinguished Committee Members,

My father started our business in 1954. We are in our 61<sup>th</sup> year. I employ 14 people. I sell cigars. A legal product that is as old as our great country. Premium \* Imported \* Luxury \* All tobacco \* Hand-made by Artisans in the Caribbean. There are no chemicals. There are no additives. None of my customers are addicted. My customers are all old enough to fight in the Middle East. We do not sell to kids. The great majority of my customers are college educated. My customers smoke cigars for the taste, relaxation and camaraderie of fellow smokers. I am one of the people who collect and pay your OTP tax. None of the proponents do this.

Regarding Senate Bill No. 203:

I have given up on cigarettes (don't carry any) at my Kansas store and don't sell e-cigarettes. Therefore, most of this doesn't apply to me. But because this bill attempts to treat all tobacco the same, I have objections to the following sections:

1. License fees – are all license fees in the state being raised? Or, just picking on tobacco? Not fair to single out one segment
2. page 19, sec 14 (a) - by including "and tobacco products", they are now requiring my wholesale accounts to obtain a license. Every liquor store and grocery account must get a license. ?? Why? This is onerous as I already pay the tobacco taxes for them. They already have a sales tax license. Why?
3. page 19, sec 14 (d) - verifying minimum age is one thing. Obtaining 5 different things from the purchaser is asking too much.
4. page 19, sec 14 (e) - "commercially available database" How much does this cost? The anti's are trying to outlaw the product without outlawing it.
5. page 19, sec 14 (e) - "photocopy" - I am supposed to get a photocopy of every customer's drivers license to be able to ship him a cigar? Is this helping me do business or hindering me?
6. page 22, sec 16 - I am licensed as a distributor in Kansas because I don't purchase directly from my Kansas store but "distribute" from my MO store. I currently have a cash bond with the state. The fees for surety bonds from my insurance company are \$300 annually (if I remember correctly). As an upstanding Kansas company, I am not required to have any bond for my sales tax. I paid more in sales tax in 2014 than I did in tobacco tax. How about a provision for a proven Kansas company that would not require a bond at all?
7. page 22, sec 17 - "a return with the director showing the quantity and wholesale sales price of **each** tobacco product". While this language exists currently, it is appropriate to change it. The state should ask for specific invoices, not specific details of product. The detail is available for audit. This is onerous and unnecessary.

The cigarette model does not apply to the cigar category!!

I am a small business. I have filed OTP tax in this state for many years. The system and procedures in place are not broken. Govener Brownback is trying to make Kansas business friendly. This bill is a thinly veiled attempt to attack tobacco. Cross border competition is real. Internet sales are real. Bootlegging is real. Putting small businesses out of business to placate bureaucrats and non-profits is real.

Curt Diebel  
President  
Diebel's Sportsmens Gallery