



NEW YORK STATE SENATOR

William T. Stachowski

Stachowski Calls on Senate to Act on Bill Rescinding Registration Fee

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STACHOWSKI CALLS ON SENATE TO ACT ON BILL RESCINDING REGISTRATION FEE

Senator wants bill considered during September 10 session

Senator Bill Stachowski today announced that he is asking Senate leaders to include a bill he sponsored which would scale back the “tobacco dealer registration fee” on their September 10 agenda. The Stachowski bill would prevent the fee from taking effect on September 20, while establishing a registration fee more affordable for establishments who sell cigarettes to the general public.

Convenience stores and other retail establishments are now being notified by the state Tax Department that their 2010 tobacco dealer registration fee is due, and that the amount they owe is going up 900% to 4,900%. The increase is a result of the state budget adopted earlier

this year.

"Many of the taxes and fees in the budget were distasteful, and I did fight to have many removed from the final document we adopted in April" the Senator said. "However, when faced with a \$17 billion deficit, we didn't have many good choices."

The fee hike was seen as a public health initiative, since the theory held that the smaller number of tobacco outlets would lead to a reduction in smoking. "Simply stated, this was bad policy, bad thinking and bad accounting" Stachowski explained, "since this license increase will actually work in reverse, by creating fewer licensed outlets and in turn less license revenue. And needless to say, it will drive more smokers to unlicensed, untaxed sources of tobacco."

The Senator said that he talked with several convenience store owners during the budget process, and informed them that he would discuss the issue with representatives from the Governor's office in an effort to have the fee hike removed from the budget. "Unfortunately that huge deficit was a barrier to any kind of give and take on the issue" he said.

The Stachowski bill (#S.6083) also recognizes the fact that the smaller number of outlets would also create a loss in revenue for the Division of Lottery by reducing the number of lottery tickets sold at these very same stores. The proceeds from the State Lottery are used to fund education in New York State. "It's a fact that tobacco sales in these outlets create opportunities for the sale of lottery tickets" Stachowski offered. "But we need to take these facts into consideration when we look at instituting these licensing fees. I believe my legislation is fiscally responsible and revenue neutral, which on its own brings common sense to this situation. I hope my colleagues in the Senate do what's right, and bring this bill to the floor for a vote next week."