



NEW YORK STATE SENATOR

Joseph A. Griffo

Senator Griffo and Assembly Republican Leader Kolb Want to Halt Cigarette Taxes

JOSEPH A. GRIFFO October 7, 2010

| ISSUE: **TAXES, SALES TAX**

Senator Joe Griffo and Assembly Republican Leader Kolb Introduce Legislation to Put Brakes on Tax Increase: No new cigarette taxes without a uniform and enforced collection policy for Native American Sales

Canandaigua/Utica –Assembly Republican Leader Brian Kolb (R,I,C-Canandaigua) and State Senator Joe Griffo (R,I,C-Rome) announced today that they’ve introduced legislation that would defer the collection of the increased sales tax on cigarettes until the state begins to collect the cigarette tax on tobacco sold on Native American Reservations to non-Tribe members.

Leader Kolb said, “Small businesses have a tough enough time competing in this economy without essentially a discretionary tax that favors one outlet over another.”

Senator Griffo said, “It’s unfair and until the administration moves forward on a uniform collection of the tax and increase should be deferred if not scrapped altogether.”

The tax increase, adopted as part of the 2010-2011 budget was part of an overall agreement which promised to finally resolve the long standing issues of collection of cigarette sales taxes on product sold by Native Americans to non-tribal members.

Jim Calvin, President of the New York Association of Convenience Stores praised the measure. He said, "The double-edged bargain Governor Paterson made with the Legislature in June was to sharply increase the cigarette tax rate on July 1, but to mitigate its negative effect on our businesses by capturing taxes on tribal sales to non-Indians starting September 1, restoring a level playing field. With one side of this bargain now placed on hold by the courts, it's only fair that the other should be put on hold as well. We commend Senator Griffo and Leader Kolb for their initiative."

The bill which would take effect immediately upon passage will be introduced in both the Senate and Assembly.

Senator Griffo added, "It is patently unfair to impose new and higher taxes on small businesses, many of them family-owned convenience stores. Our economic recovery is dependent on the success of these very same enterprises."

"The government already burdens the business community with a myriad of taxes, fees and regulations," Kolb said.

He added, "By allowing this inequity to occur when so many retailers are struggling is wrong. Until the sales tax issue is resolved with the Native American tobacco tax, no store should be burdened with the new, higher tax."