



NEW YORK STATE SENATOR

George D. Maziarz

CALL FOR ALARM AS TAX HIKES ON BEER AND WINE TAKE EFFECT

GEORGE D. MAZIARZ April 30, 2009

Senator George Maziarz (R-C, Newfane) held a press conference on May 1st in Buffalo's Chippewa entertainment district to protest the new state taxes on beer and wine that is either made or sold in New York State. These tax hikes taking effect May 1st were part of the 2009-2010 state budget, which Senator Maziarz voted against.

The 2009-2010 state budget, which local representatives Senator Bill Stachowski and Senator Antoine Thompson voted for, increases the state excise tax on beer from 11 cents per gallon to 14 cents per gallon. The excise tax on wine increased from 19 cents per gallon to 30 cents per gallon. **Together, these tax increases are estimated to cost consumers at least \$14 million.**

"If just one more senator had voted 'no' instead of 'yes' on the budget, we could have stopped a huge array of new tax and fee hikes from wreaking further havoc on upstate's economy," Senator Maziarz said. "The beer and wine excise taxes are going into effect today, May Day. The timing is appropriate because all of Western New York is in danger if we keep going down this road."

"Some politicians are saying they want to rejuvenate the economy," Senator Maziarz said, "and yet they're voting to increase the cost of doing business here. They need to be held accountable."

The state budget also imposes a 'floor tax' to be levied against beer and wine held in stock by wholesalers and retailers—including liquor stores, restaurants, bars, and taverns—as of May 1. These businesses must take a physical inventory, file a floor tax return, and pay the increased tax on all beer and wine in their possession. The increased tax is 3 cents per gallon for beer and 11 cents per gallon for wine. The purpose of the floor tax, according to the NYS Division of the Budget, is to make sure that wholesalers and retailers do not benefit from filling up their stocks before

the new excise taxes take effect.

“Not only are wholesalers and retailers taking a financial hit with the new excise taxes,” Senator Maziarz said, “but now the state is imposing another special tax on all the product they have on hand at the opening of business today—and they have to do all the legwork. It’s ridiculous.”

“State Government is out of control and out of touch,” said Mike VonHeckler, owner, Warm Lake Estates Winery. “It’s time to reduce spending and stop increasing taxes. In January, talk of sales in grocery stores kept our liquor store customers from buying New York wine. Now in May, the floor tax at 30 cents a gallon is preventing the same liquor stores from buying New York wine again. That’s now two months this year that dumb policy decisions in Albany have prevented us from selling our products and reduced our profitability. When are they going to smarten up?”