



NEW YORK STATE SENATOR

Michael F. Nozzolio

## SENATOR NOZZOLIO DEMANDS PATERSON COLLECT TAXES ON INDIAN CIGARETTES

MICHAEL F. NOZZOLIO August 17, 2009

| ISSUE: **FINANCE**

State Senator Mike Nozzolio today admonished Governor Paterson and the State Department of Taxation and Finance for refusing to comply with the law enacted last year taxing cigarettes sold by Native Americans. By refusing to collect these taxes, New York State faces a loss of over \$65 million in sales tax revenue at a time when it is needed more than ever.

“The New York State Budget already faces a deficit of nearly \$2.1 billion and it is outrageous that the State Tax Department refuses to enforce the law and collect this much-needed revenue,” said Senator Nozzolio. “On behalf of hardworking New York taxpayers and small business owners, I demand that Governor Paterson reconsider this irresponsible decision.”

Last year, Senator Nozzolio sponsored legislation that was signed into law by the Governor requiring that sales and excise taxes must be collected from Native American businesses that sell products to the general public. Last week, the Tax Department released an update on the budget indicating that it will not attempt to collect the revenue from these taxes this year.

Senator Nozzolio has addressed a letter to Governor Paterson demanding that he enforce the law and collect sales taxes equally from all retailers.

“Under the disastrous 2009-10 State Budget, hardworking taxpayers were hit with \$8.5 billion in tax and fee hikes. It is outrageous that the Division of the Budget is considering even more taxes to close the deficit while the Tax Department chooses to ignore the revenue that could be generated by upholding the law and enforcing tax equality for our small local retailers,” said Senator Nozzolio. “It is even more outrageous that the decision to abandon this revenue was made with no public notice, hidden in a 329-page document on first quarter budget spending.”

State Assemblyman Gary Finch, who sponsored Senator Nozzolio's legislation in the Assembly last year, also expressed his outrage at Governor Paterson's inaction.

"We are facing a \$2.1 billion deficit this year and the Governor is refusing to collect \$65 million of sales tax revenue on Native American cigarette sales," Assemblyman Finch said. "Governor Paterson lacks the courage to enforce the law. With our fiscal problems, when is the right time to collect these taxes, if not now?"

"Can you imagine this happening in any other instance? Could you imagine what would happen if you or I refused to pay our taxes?" concluded Senator Nozzolio. "By refusing to collect these taxes, the New York State Tax Department is the number one tax scofflaw in our State."

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