



April 2011

To: All taxpayers in Seneca and Cayuga Counties:

This letter is provide you with important and updated information on the status of the Cayuga Indian's attempts to establish an Indian reservation in Seneca and Cayuga Counties as well as the State of New York's attempt to collect sales tax revenue from the Cayugas. In addition to the enclosed Question and Answer sheets, we wanted to give you the most current information that we have.

1. We are continuing our fight to force New York State to collect the sales tax on the sales of goods sold by the Cayugas to non-Indians. The first step in this process was to enact the law to require the collection of these taxes. Although legislation was first signed into law in 2005, Governors Pataki, Spitzer and Paterson all refused to enforce the law. Since that time, the law has been amended twice in order to make the collection of these sales taxes easier and more efficient. Governor Andrew Cuomo now appears prepared to take on this issue and force the collection of these taxes. We were also successful in securing the collection of these taxes in the newly enacted New York State budget.
2. We secured an agreement from Governor Andrew Cuomo to meet with a delegation of elected officials from Seneca and Cayuga counties to discuss issues related to the collection of New York state taxes from the Cayugas and other related issues. We are awaiting a final date and confirmation from the Governor's office.
3. We recently convened a meeting with the respective District Attorneys, Sheriffs and other law enforcement personnel from Seneca and Cayuga counties to discuss the appropriate procedures necessary for the enforcement of local and State laws as they pertain to the Cayuga Indians.

4. We have drafted and introduced legislation in the New York State Senate and Assembly to clarify the definition of state tax laws and qualified reservation status as it pertains to the Cayugas. This will ensure that the Cayuga Indians cannot sell goods tax-free on land where they do not have sovereign control.
5. We have also introduced legislation to re-establish the requirement that the Legislature must approve all Indian agreements with the State. This legislative authority was removed as a part of last year's New York City dominated State Legislature.
6. We are currently reviewing New York State Finance law with regard to state contracts and the applicability of the statute that prevents individuals with outstanding tax liens to engage in the state contract bid process.

We implore you to continue, as we have, to ask our federal representatives for help in this battle. We will continue to do everything we can to support the property owners of Seneca and Cayuga counties and look forward to working with you on this critically important issue.

With best wishes.

Sincerely,



Michael F. Nozzolio
Senator, 54th District



Brian M. Kolb
Assemblyman, 129th District



Gary D. Finch
Assemblyman, 123rd District

QUESTIONS AND ANSWERS ON THE ACTIONS OF THE CAYUGA INDIANS:

QUESTION: Does New York State law require the collection of sales tax on sales of goods and services sold by the Cayugas?

ANSWER: Yes. The law was changed because of the efforts of Senator Mike Nozzolio, Assemblyman Brian Kolb and Assemblyman Gary Finch to require Indian retailers, including the Cayuga Indians, to collect sales tax on the sales of cigarettes sold to non-Indians.

QUESTION: If that is the law, why isn't New York State collecting the sales tax from the Cayugas and other Indians?

ANSWER: The United States District Courts for the Western and Northern Districts of New York have placed an injunction on the New York State law enacted by Senator Nozzolio, Assemblyman Kolb and Assemblyman Finch to collect the tax. This federal court action freezes the ability of New York State to enforce the collection of sales taxes. The injunction resulted from a challenge to the New York State tax law by the Cayuga Indians and others, and remains in effect until the federal courts issue a final ruling on the legislation.

QUESTION: When will the injunction be lifted and New York State be allowed to collect the taxes?

ANSWER: New York State is aggressively defending the right to collect this tax and support all the taxpaying businesses in this state from unfair competition. New York State has argued to collect this tax in a case before the United States District Court of Appeals on March 15, 2011.

We remain hopeful that the federal government – through the federal courts – will listen to New York State and allow the enforcement of this New York State law.

QUESTION: Does New York State intend to collect the taxes?

ANSWER: Yes. New State law requires the state to collect the taxes and the newly enacted New York State budget includes anticipated revenue from the collection, but enforcement cannot begin until the Federal Appellate Court lifts the injunction.

QUESTION: When the Cayuga Indians purchase property, is the land automatically taken off the tax rolls?

ANSWER: No. Property taxes on land purchased by the Cayuga Indians must be paid **UNLESS** and **UNTIL** the land is placed in Trust Status by the federal government. Failure to pay property taxes subjects the owner, (in this case, the Cayugas), to foreclosure and seizure by the County where the property is located. The Cayugas are currently contesting the applicability of that time honored law and procedure on the land they have purchased in Seneca and Cayuga Counties.

New York State has taken the strong position that the Cayugas must pay property taxes. New York State has argued this position in a lawsuit pending in the United States Federal District Court.

QUESTION: Where are the Cayuga Indians getting the money to purchase land in Cayuga and Seneca County?

ANSWER: The Cayuga Indians own several gas stations and convenience stores in our region where they sell gasoline and cigarettes. Because the Cayugas refuse to collect or pay New York State sales tax, they can sell these products at a reduced cost. This gives the Cayugas a significant and unfair economic advantage over other taxpaying businesses. Unfortunately, most people don't understand or realize that by patronizing these businesses, they are causing the demise of locally owned taxpaying businesses that simply can't compete on this uneven playing field. Buying gas and cigarettes from the Cayugas hurts all Seneca County and Cayuga County taxpayers.

QUESTION: What is New York State doing to help protect local property taxpayers?

ANSWER: **New York State has been fighting for local property owners and taxpayers in these matters for over thirty years.** New York State successfully defended local property owners against the Cayuga Indians' lawsuit that sought to eject property owners from their homes. New York State is currently fighting in federal court to implement a state law requiring the collection of sales tax on Indian run businesses. New York State is also seeking to help the counties foreclose and seize properties owned by the Cayugas who have failed to pay their local property taxes to the town, county and school district.

QUESTION: What happens if the federal government places the land that the Cayugas have been purchasing in Cayuga and Seneca counties into Trust Status?

ANSWER The Cayugas are currently seeking to have approximately 130 acres of property that they purchased in Seneca and Cayuga counties placed into Trust Status. If that application is granted and the land is put into Trust, the federal government will create an Indian reservation and the land will be removed from the tax rolls and be exempt from real property taxes.

QUESTION: What does this mean? What does the term "Land into Trust" mean?

ANSWER: It means that the roughly 130 acres of land that the Cayugas purchased within the boundaries of the original land claim area will become sovereign land and not subject to either state or federal law. This action would establish an Indian Reservation within Seneca County. It also opens the door for the Cayugas to apply for Trust Status on all of the land they have purchased in Seneca County.

QUESTION: How can we stop this from happening? What can you do?

ANSWER: Please call and write your federal representatives TODAY and ask them to oppose any action by the federal government to place land in Cayuga and Seneca counties into Trust for the Cayuga Indian Nation. We must not allow our federal government to create a separate Nation within our borders.

Please fill in your name and address on the enclosed reply card and send it to the Bureau of Indian Affairs. It is vitally important that the federal government understand the serious financial consequences that this action will have on the property taxpayers of Seneca and Cayuga Counties.

You may also wish to voice your concerns to your federal representatives:

United States Senator Charles Schumer
313 Hart Senate Building
Washington, D.C. 20510
1-202-224-6542
senator@schumer.senate.gov

United States Senator Kirsten Gillibrand
478 Russell Senate Office Building
Washington, D.C. 20510
1-202-224-4451
senator@gillibrand.senate.gov

United States Congressman Richard Hanna
319 Cannon House Office Building
Washington, D.C. 20515
1-202-225-3665

PLACE
STAMP
HERE

Assistant Secretary Larry Echo Hawk
Indian Affairs
MS-4141-MIB, 1849 C Street, N.W.
Washington, D.C. 20240

I OPPOSE a Cayuga Indian Reservation in Upstate New York!

It is now more important than ever that the Federal Bureau of Indian Affairs DENY reservation trust status to the property that has been acquired by the Cayuga Indians in Seneca and Cayuga Counties in New York State. If this land is removed from our tax rolls, it will devastate the homeowners and residents of our region.

Name: _____ Phone: _____

Address: _____

Email: _____

Comments: _____
