

# Recent Chronology of Delay Tactics on the Tax Fairness Issue

**March 2005:** Legislature passes budget bill requiring collection of taxes on Indian sales to non-Indians starting September 1, 2005.

**March 2005:** Governor Pataki vetoes it.

**April 2005:** Governor Pataki agrees to sign law if Legislature pushes effective date back to March 1, 2006.

**April 12-13, 2005:** Legislature passes, Governor Pataki signs law with March 1, 2006 effective date.

**January 17, 2006:** In his proposed 2006-07 budget, Governor Pataki asks Legislature to delay effective date until March 1, 2007.

**March 1, 2006:** With no action by the Legislature, the law goes into effect as scheduled. But Tax Department refuses to implement it, saying it would be “premature” to do so while the Legislature “is reviewing substantive amendments to the law.”

**Early March, 2006:** Under pressure from Attorney General Eliot Spitzer to comply with law, some wholesale distributors halt deliveries of untaxed cigarettes to Indian tribes.

**March 16, 2006:** Tax Department issues “advisory opinion” informing wholesale distributors it doesn’t plan to enforce the law and they won’t be penalized if they resume deliveries to tribes in violation of the law.

**March 30, 2006:** Legislature passes 2006-07 budget that rejects Governor Pataki’s requested one-year delay in implementation. Law remains in effect.

**June 2006:** Legislature passes new bill giving Attorney General power to

stop cigarette manufacturers from supplying distributors who continue to sell untaxed product to tribal stores.

**August 16, 2006:** Pataki vetoes it.

**January 2, 2007:** In Buffalo, State Supreme Court Justice Rose Sconiers issues preliminary injunction barring “the State of New York” from implementing the tax collection law because the Tax Department has not yet issued tax-exemption coupons to the tribes: “... The statute can only function if it properly exempts Indians purchasing cigarettes under circumstances where they are not lawfully required to pay such taxes.”

**January 3, 2007:** New Governor Eliot Spitzer says if the Department issues the Indian tax-exemption coupons, the Sconiers ruling is moot, and “we will be moving forward.”

**January 2007:** Governor Spitzer projects \$200 million in new revenue from collection of taxes on Indian sales to non-Indians in the new state budget that takes effect April 1.

**March 2007:** In a major policy shift, Governor Spitzer reveals that rather than enforcing the tax collection law, he will try to negotiate “revenue sharing” agreements with Native American tribes to resolve the issue.

**June 2007:** 2007 legislative session ends without Governor Spitzer submitting any proposed tax settlement with any Native American tribe.

**November 2007:** Spitzer’s budget office announces it will forgo the \$200 million this fiscal year and postpone tax collection until April ‘08 “at the earliest.”

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