



Enforce the Law - Collect the Tax Coalition

For Immediate Release:

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**THE ENFORCE THE LAW- COLLECT THE TAX COALITION CALLS ON THE
PATERSON ADMINISTRATION TO STAY THE COURSE AND CONTINUE ITS
PROGRESS TOWARD COLLECTING CIGARETTE TAXES ON RESERVATION
SALES ON SEPTEMBER 1st**

One-third of All Cigarettes Sold in NY – Were Sold Untaxed

Buffalo, NY – August 26, 2010 The Enforce the Law - Collect the Tax Coalition is holding a press conference to urge the State to continue its progress toward the September 1, 2010 deadline to collect the almost \$1 billion in revenue from uncollected excise taxes from cigarette sales on Native American reservations as required under provisions of the FY 2010-11 State Budget.

With the September 1st deadline fast approaching a bipartisan group of state and local officials and business leaders today gathered in Buffalo to renew the call to enforce the law and collect the tax. Assemblyman Sam Hoyt, Assemblyman Robin Schimminger, Senator Bill Stachowski (invited) were joined by James Calvin President of the New York Association of Convenience Stores and Michael Newman, President of NOCO Express Shops, Tim Wagner, President Grocery Delivery and Rachel Ortiz, Owner Rachel's Deli and others who lent their support to the effort.

Virtually alone among states, New York has forfeited billions of dollars each year in uncollected taxes from cigarette sales made through Native American reservations to non-tribal members. According to projections by the Enforce the Law Collect the Tax Coalition's tax loss calculator, over \$650 million in revenues have already gone uncollected thus far in 2010. The coalition's tax loss calculator is based on a report by the New York Association of Convenience Stores, <http://www.nyacs.taxstudy>, which indicates that New York State loses \$1,900 every minute that the law is not enforced and the tax is not collected.

These lost revenues will likely grow, as midway through 2010 almost one third of all cigarettes sold in New York were sold untaxed and unstamped through about 200 tribal reservations sellers. That's on pace to reach a staggering 200 million packs by the end of the year, or about the same as the volume of cigarettes sold in the entire Commonwealth of Massachusetts.

Assemblyman Sam Hoyt (D-Buffalo, Grand Island) said, "The federal court ruling should be upheld with respect to taxing cigarettes sold to non-tribal members on Native American reservations."

James Calvin, President of the New York Association of Convenience Stores said, “By quintupling the excise tax on cigarettes in the span of eight years without closing off well-established channels for dodging that tax, New York State government incited today’s all-out epidemic of tax evasion.” He added, “The time to act is now. The September 1st deadline can’t come fast enough as the enormous and unfair price advantage that the State has granted to these 200 Native American outlets is decimating business for the thousands of law-abiding in New York who sell tax-paid and tax-stamped cigarettes.”

“Requiring that these taxes be collected now is not only the responsible thing to do to address New York’s fiscal crisis, but it is also the right thing to do for the businesses that are being hurt by non-collection. Allowing Native American businesses to operate at such an unfair competitive advantage by evading tax collection is simply wrong and fundamentally unfair to small business owners who play by the rules, follow the law and collect the taxes the state requires,” said Mike Elmendorf, New York State Director of the National Federation of Independent Business.

Michael Newman, President of NOCO Express Shops said, “For too long the state has looked the other way as sales of untaxed cigarettes have grown throughout the state. This practice is affecting everyone from the lost revenues that impact our communities to our law enforcement community that is fighting illegal contraband – it must stop.”

Individuals and organizations that want to join the coalition and support efforts to Enforce the Law and Collect the tax should go to www.collectthetaxny.com and sign up.

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