



For Immediate Release:

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**ENFORCE THE LAW- COLLECT THE TAX COALITION LAUNCHES
GRASSROOTS EFFORT TO HELP CLOSE BUDGET GAP & SAVE SCHOOLS,
PARKS, HOSPITALS & JOBS**

***Before You Cut the Budget, Collect the Tax
\$1,900/ Minute - Over \$1 billion / Year Lost Through Uncollected Cigarette Taxes***

Albany – The Enforce the Law - Collect the Tax Coalition, a broad based group of business organizations, community leaders, advocates and other supporters today launched a grassroots initiative dedicated to ensuring that before we close a park, lay-off a teacher, shutter a hospital or lose another job – the State should do what’s right: enforce the law and collect the tax.

Virtually alone among states, New York forfeits an estimated \$1 billion each year in uncollected taxes from cigarette sales to non-tribal members on Native American reservations. The coalition unveiled a tax loss calculator based on a report by the New York Association of Convenience Stores, <http://www.nyacs.taxstudy>, that indicates that New York State loses \$1,900 every minute that the law is not enforced and the tax is not collected.

With an unemployment rate approaching double digits, and with teachers, correction officers and health care jobs on the chopping block – this policy is simply absurd. Now more than ever, New York State can’t afford to ignore revenues that could preserve valuable services and save jobs across our state.

“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. This ever-widening crisis is crippling legitimate small businesses, squandering desperately needed tax revenue, promoting lawlessness, and thwarting anti-smoking initiatives,” said James Calvin, President, New York Association of Convenience Stores.

“New York State continues to face a serious fiscal crisis and budget deficit. It is our responsibility to enforce existing laws and collect money that New York is legally owed before we entertain any cuts or increased taxes on hard-working New Yorkers,” said Deputy Majority Leader Senator Jeff Klein (D-Bronx/Westchester).

“At a time when the economic downturn has forced cuts in health care, education, infrastructure and transportation we can no longer delay enforcement of our tax laws. Ensuring that taxes on cigarettes sold by Native American nations are collected will help to create parity in the tax system and establish a more fair and reasonable process for raising revenue. This issue has remained unresolved for far too long,” said Denis Hughes, President, and NYS AFL-CIO.

“There is no good excuse for ignoring the law on the books requiring New York to collect the cigarette tax from the Native American reservations,” said CSEA President Danny Donohue. “It makes even less sense in the current environment when services are at risk and there are not a lot of other good choices.”

Daniel Sisto, President of the Healthcare Association of New York State said, “In less than two years, thousands of health care jobs and critical health services have been lost to communities across the state as a result of nearly \$4 billion in state budget cuts to hospitals, nursing homes and home health care providers. Enforcing the law and collecting the cigarette tax is an essential element in preventing even more job and health care service losses.”

John Becker, Chairman of the Madison County Legislature said, “Madison County is losing almost \$5 million every year that the tax is not collected—it’s not fair and it must stop.”

“Demanding 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 these 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.

Stephen J Acquario, Executive Director of NYSAC said, “This isn’t an issue of sovereignty. We fully support the rights of Native Americans to buy cigarettes tax-free for personal use from reservation outlets, but counties are losing hundreds of millions of dollars each year by not collecting these cigarette sales taxes. There is a law on the books and it’s time for the State to enforce it.”

“Restaurants and taverns all across New York are struggling in this recession, but they are paying their fair share of tax dollars. As a simple matter of fairness, the cigarette tax from reservation sales must be collected,” said Paul Pettinato, President, The Empire State Restaurant and Tavern Association.

Evading excise taxes is not just an economic issue and it’s time to once and for all dispel the myth that tax evasion is a victimless crime. It encourages bootlegging, counterfeiting and racketeering by dangerous and sophisticated criminals who use these ill gotten resources to fund other even more illicit activities. We strongly encourage the state to enforce the law on the books and collect the tax.

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