

Are you asking enough questions about the proposed Tobacco Tax increases?

EXCISE TAX ON CIGARETTES

(Per Pack)

Existing New York Rate.....	\$2.75
Proposed Increase.....	1.00
New NY Rate.....	3.75
Tribal Store.....	0.00
Black Market.....	0.00
Pennsylvania.....	1.60
Vermont.....	2.24
Massachusetts.....	2.51
New Jersey.....	2.70
Connecticut.....	3.00

Q: If our cigarette tax rate is going to increase 36%, why does the Budget Office project it to yield only 16% more revenue?

Q: If there's a fixed date for this tax hike, but not for collecting taxes on cigarettes sold by Indian outlets to non-Indian New Yorkers, isn't it only going to make the cigarette tax evasion problem worse?

Q: Is it true that New Jersey increased its cigarette tax rate in 2006 and ended up with *less* cigarette tax revenue than it had *before* the increase? Could that happen here?

Q: We've increased our state cigarette tax five-fold in the past 10 years (from 56¢ a pack to \$2.75). The federal cigarette tax has tripled in that time (from 34¢ to \$1.01). At what point is enough enough?

Q: Half the cigarettes consumed in New York are purchased without payment of any New York State tax. What happens when exorbitant taxes chase *all* the cigarette sales to the tax-free side of the street?

Q: If higher cigarette taxes reduce smoking, then why do states with tax rates of only 30¢ or 87¢ a pack have lower smoking rates than New York at \$2.75?

EXCISE TAX ON CHEWING TOBACCO

(Percentage of Wholesale Value)

Existing New York Rate.....	46.0%
Proposed Increase.....	44.0%
New NY Rate.....	90.0%
Tribal Store.....	0.0%
Black Market.....	0.0%
Pennsylvania.....	0.0%
Connecticut.....	27.5%
New Jersey.....	30.0%
Massachusetts.....	90.0%
Vermont.....	92.0%

Q: Didn't we just increase this tax last year from 37% of wholesale value to 46%? Is it necessary/appropriate to increase this tax every year?

Q: If New York had a 90% tax on this product, wouldn't customers in the 10 New York counties bordering Pennsylvania just cross the border to buy it to avoid our tax?

Q: If New York had a 90% tax on this product, wouldn't customers in the 22 New York counties within a half-hour drive of Native American stores buy it there to avoid paying our tax?

Q: If customers travel to Indian reservations and border states to buy tax-free chewing tobacco, how much will that reduce sales, jobs and tax receipts at New York stores?

Q: If customers flee tax-collecting New York stores to buy chewing tobacco from tax-free outlets, how much will that hurt lottery sales at those stores?

Q: Besides retailers in Pennsylvania and on Indian reservations who collect no New York State taxes, will anyone benefit from doubling the tax on these tobacco products?



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As licensed, law-abiding, tax-collecting retailers, all we want is a chance to compete fairly for retail trade. Is that too much to ask?