Resolution No.       129       April 7, 2009

Urging Governor Paterson To Order The Printing And Issuing Of Tax Exemption Coupons For Members Of Indian Tribes

Legislator Lomita and the Economic Development, Housing, Planning and Transit Committee (Chairman Rodriguez and Legislators Bischoff, Loughran, Sheeley, Harris, Roberti and Terrizzi) offer the following:

WHEREAS, Sections 274e and 471e of the New York State Tax Law call for tribal members to be exempt from payment of sales and excise taxes on motor fuel and cigarettes, respectively, when purchased on qualified reservations, and

WHEREAS, failure to enforce these sections of the law has led to tax inequity, whereby Indian businesses that do not collect sales and excise taxes from their customers are given an unfair competitive advantage over non-Indian businesses that must collect these taxes, causing many non-Indian businesses to close, and

WHEREAS, failure to enforce these laws has meant that the State of New York has failed to collect billions of dollars of revenue that it was due, and

WHEREAS, the State of New York is facing a budget deficit next year in excess of $15 billion and income from this source would produce revenue approaching $1 billion annually, and

WHEREAS, failure to collect these cigarette and gasoline taxes will mean that many worthy social and economic development programs will have to be cut back or discontinued next year and in the future, and

WHEREAS, Governor Paterson has acknowledged that the policy of forbearance followed by three previous governors has not worked and that the present tax inequity is untenable, and

WHEREAS, not printing and issuing tax exemption coupons for tribal members is the only legal impediment to the enforcement of current tax law, the establishment of tax equity and the collection of revenue which otherwise must come from property and income taxes, now, therefore, be it

RESOLVED, that the Ulster County Legislature urges Governor Paterson to order the printing and issuing of tax exemption coupons to Indian tribal members immediately, so that Sections 274e and 471e of the New York State Tax Law can be enforced, tax equity can be restored and revenue much needed by the State and counties can be collected, be it further

RESOLVED, that the Clerk of the Ulster County Legislature shall forward copies of this resolution to Governor David Paterson, New York State Comptroller’s Office, Senate Majority Leader Malcolm Smith, Senate Minority Leader Dean G.
Resolution No. 129 April 7, 2009

Urging Governor Paterson To Order The Printing And Issuing Of Tax Exemption Coupons For Members Of Indian Tribes

Skelos, Assembly Speaker Sheldon Silver, Assembly Majority Leader Ron Canestrari, Assembly Minority Leader James N. Tedisco, New York State Senators John J. Bonacic and William J. Larkin, Jr., New York State Assemblymen Kevin A. Cahill, Clifford W. Crouch, Peter Lopez and Frank K. Skartados and the New York State Association of Counties,

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 26 NOES: 0
(Absent: Legislators Aiello, Dart, Maloney, Provenzano, Roberts, Shapiro and Stoeckeler)

FINANCIAL IMPACT:
ESTIMATED $1 BILLION ANNUALLY – STATEWIDE REVENUE