Legislation Details (With Text)

File #:	Int 0230-2002 **Version:** A	**Name:**	Increasing the rate of tax on cigarettes.
Type:	Introduction	**Status:**	Enacted
		In control:	Committee on Finance
On agenda:	6/19/2002		
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Title:	A Local Law to amend the administrative code of the city of New York, in relation to increasing the rate of tax on cigarettes.		
Sponsors:	David I. Weprin, Simcha Felder, (by request of the Mayor), Kendall Stewart		
Indexes:			
Attachments:	1. Committee Report, 2. Hearing Transcript, 3. Local Law, 4. Hearing Transcript - Stated Meeting 6/21		

Date	Ver.	Action By	Action	Result
6/19/2002	*	City Council	Referred to Comm by Council	
6/19/2002	*	City Council	Introduced by Council	
6/21/2002	*	Committee on Finance	Hearing Held by Committee	
6/21/2002	*	Committee on Finance	Amendment Proposed by Comm	
6/21/2002	*	Committee on Finance	Amended by Committee	
6/21/2002	A	Committee on Finance	Approved by Committee	Pass
6/21/2002	A	City Council	Approved by Council	Pass
6/21/2002	A	City Council	Sent to Mayor by Council	
6/30/2002	A	Mayor	Hearing Held by Mayor	
6/30/2002	A	Mayor	Signed Into Law by Mayor	
6/30/2002	A	City Council	Recved from Mayor by Council	

Int. No. 230-A

By Council Members Weprin and Felder (by request of the Mayor); also Council Member Stewart

A Local Law to amend the administrative code of the city of New York, in relation to increasing the rate of tax on cigarettes.

Be it enacted by the Council as follows:

Section 1. Paragraph 3 of subdivision a of section 11-1302 of the administrative code of the city of New York, as amended by chapter 29 of the laws of 1985, is amended to read as follows:

3. It is intended that the ultimate incidence of and liability for the tax shall be upon the

consumer, and that any agent, distributor or dealer who shall pay the tax to the commissioner of finance shall collect the tax from the purchaser or consumer. Such tax shall be at the rate of four cents for each ten cigarettes or fraction thereof, provided, however, that if a package of cigarettes contains more than twenty cigarettes, the rate of tax on the cigarettes in such package in excess of twenty shall be two cents for each five cigarettes or fraction thereof. Provided further, however, that on and after July second, two thousand two, such tax shall be at the rate of seventy-five cents for each ten cigarettes or fraction thereof, provided, however, that if a package of cigarettes contains more than twenty cigarettes, the rate of tax on the cigarettes in such package in excess of twenty shall be thirty-eight cents for each five cigarettes or fraction thereof. Such tax shall be imposed only once on the same package of cigarettes.

§ 2. Section 11-1318 of the administrative code of the city of New York is amended to read as follows:

§ 11-1318 Disposition of revenues. All revenues resulting from the imposition of the tax under this chapter shall be paid into the treasury of the city and shall be credited to and deposited in the general fund of the city, except that, after the payment of refunds with respect to such tax, effective on and after July second, two thousand two, forty-six and one-half percent and, effective on and after April first, two thousand three, forty-six percent of such revenues (including taxes, interest and penalties) collected or received shall be paid to the state comptroller.

§ 3. Every dealer of cigarettes, including agents licensed to purchase and affix stamps, shall take a physical inventory of all cigarettes possessed in the city as of the close of business on July 1, 2002. In addition, every dealer who is a licensed agent shall take a physical inventory of all unaffixed cigarette tax stamps possessed as of the close of business on such date. In the event that it is not possible to take a physical inventory of cigarettes in all vending machines that are located within the city, a dealer may take as many physical inventories of the contents of such machines as is possible with available personnel. For those machines that cannot be physically inventoried on July 1, 2002, cigarettes may be accounted for at one-half the

normal fill capacities of such machines, as reflected in the individual inventory records maintained for such machines.

§ 4. Notwithstanding any other provision of law to the contrary, the tax due on cigarettes possessed in the city of New York, as of the close of business on July 1, 2002, by any person for sale solely attributable to the increase imposed by this local law, may be paid in two installments, due on the twentieth days of September, 2002 and January, 2003, subject to such terms and conditions as the department of finance may prescribe; provided, however, no less than 25 percent of each such tax due shall be paid by September 20, 2002.

§ 5. This local law shall take effect July 1, 2002.

§ 6. Notwithstanding the provisions of section five of this local law, if New York Assembly Bill No. 11817 has not become a law prior to the time that this local law is enacted, then this local law shall take effect immediately upon the enactment into law of such bill.