



Legislation Text

File #: Res 0065-2002, **Version:** *

Res. No. 65

Resolution calling upon the State Legislature and the Governor to authorize the City of New York to increase the maximum amount of tax it can levy on cigarettes under the City's Cigarette Tax, increase the maximum amount of tax it can levy on beer and liquor, and allow the City to impose a small tax on wine, to assist the City in raising desperately needed revenue.

By Council Members Jennings, Comrie, DeBlasio, Fidler, Reyna and Stewart; also Council Member Seabrook

Whereas, All levels of government - Federal, State and City - impose various taxes on cigarettes and alcohol; and

Whereas, The City is authorized to pursuant to State law to impose a tax of up to eight cents on each pack of cigarettes sold in the City which tax is in addition to federal and state taxes and the sales tax also applicable to cigarettes; and

Whereas, The City is also authorized to impose a tax of approximately three cents per liter of beer and 26 cents per liter of liquor sold in the City which tax is in addition to federal and state taxes; and

Whereas, Although both the federal government and State government impose such taxes on wine, but the City is not authorized to impose a similar tax on wine; and

Whereas, New York City currently imposes, pursuant to its Administrative Code, the maximum taxes on cigarettes and beer and alcohol allowed by State law, and currently raises revenues of approximately \$27 million from the Cigarette Tax and \$21 million from the tax on beer and alcohol annually; and

Whereas, On September 11, 2001 terrorists launched attacks on New York City, resulting in the death of thousands of people, the damage of tens of billions of dollars of property, the displacement of thousands of New Yorkers from their homes and the destruction, dislocation or disruption of thousands of business; and

Whereas, The City Council has estimated that the City could lose more than \$1.5 billion dollars in fiscal Year 2003 as a direct result of the terrorist attacks, and that this revenue loss could increase in the following years; and

Whereas, An increase in the cigarette tax by 75 cents per pack, will lead to an additional estimated \$173 million in annual revenue; and

Whereas, An increase of at least this magnitude should be considered in order to discourage smoking; and

Whereas, The effects of smoking will result in a significant loss of dollars in lost productivity and other costs to the City; and

Whereas, An increase in the City's excise tax on beer and alcohol, from approximately three cents and 26 cents per liter respectively, to five cents and 65 cents

per liter respectively, together with an imposition of a 4 cents per liter tax on wine, would raise an additional estimated \$32 million dollars in revenue; now therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature and the Governor to authorize the City of New York to increase the maximum amount of tax it can levy on cigarettes under the City's Cigarette Tax, increase the maximum amount of tax it can levy on beer and liquor, and allow the City to impose a small tax on wine, to assist the City in raising desperately needed revenue.