

1891

2009-2010 Regular Sessions

I N S E N A T E

February 9, 2009

Introduced by Sen. KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to amending the percentages used to determine the presumed cost of doing business for agents and wholesale dealers of cigarettes

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subparagraph (B) of paragraph 1 and subparagraph (B) of
2 paragraph 2 of subdivision (b) of section 483 of the tax law, subpara-
3 graph (B) of paragraph 1 as amended by chapter 1 of the laws of 1999 and
4 subparagraph (B) of paragraph 2 as amended by chapter 4 of the laws of
5 1988, are amended to read as follows:
6 (B) In the absence of the filing with the commissioner of satisfactory
7 proof of a lesser cost of doing business of the agent making the sale,
8 the cost of doing business by the agent shall be presumed to be [seven-
9 eighths of one] THREE AND ONE-HALF percent of the basic cost of ciga-
10 rettes for sales to wholesale dealers plus one cent per package of ten
11 cigarettes, two cents per package of twenty cigarettes and in the case
12 of a package containing more than twenty cigarettes, two cents and one-
13 half of a cent for each five cigarettes in excess of twenty cigarettes,
14 [one] FIVE and [one-half] THREE-EIGHTHS percent of the basic cost of
15 cigarettes for sales to chain stores plus one cent per package of ten
16 cigarettes, two cents per package of twenty cigarettes and in the case
17 of a package containing more than twenty cigarettes, two cents and one-
18 half of a cent for each five cigarettes in excess of twenty cigarettes
19 and [three] SEVEN and [seven-eighths] THREE-QUARTERS percent of the
20 basic cost of cigarettes with respect to sales to retail dealers plus
21 one cent per package of ten cigarettes, two cents per package of twenty
22 cigarettes and in the case of a package containing more than twenty
23 cigarettes, two cents and one-half of a cent for each five cigarettes in

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 excess of twenty cigarettes and the foregoing cents per pack shall be
2 included in the "cost of doing business by the agent" referred to in
3 paragraphs two and three of this subdivision.
4 (B) In the absence of the filing with the tax commission of satisfac-
5 tory proof of a lesser cost of doing business of the wholesale dealer
6 making the sale, the cost of doing business by the wholesale dealer with
7 respect to sales to retail dealers shall be presumed to be [three] FOUR
8 AND ONE-QUARTER per centum of the basic cost of cigarettes, and with
9 respect to sales to chain stores, [five-eighths of one] ONE AND
10 SEVEN-EIGHTHS percent of the basic cost of cigarettes.
11 S 2. This act shall take effect on the thirtieth day after it shall
12 have become a law.