

STATE OF NEW YORK

1981

2025-2026 Regular Sessions

IN SENATE

January 14, 2025

Introduced by Sen. STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to increasing the state excise tax on cigarettes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 1 of section 471 of the tax law, as amended by
2 section 1 of part S of chapter 59 of the laws of 2023, is amended to
3 read as follows:

4 1. There is hereby imposed and shall be paid a tax on all cigarettes
5 possessed in the state by any person for sale, except that no tax shall
6 be imposed on cigarettes sold under such circumstances that this state
7 is without power to impose such tax, including sales to qualified Indi-
8 ans for their own use and consumption on their nations' or tribes' qual-
9 ified reservation, or sold to the United States or sold to or by a
10 voluntary unincorporated organization of the armed forces of the United
11 States operating a place for the sale of goods pursuant to regulations
12 promulgated by the appropriate executive agency of the United States, to
13 the extent provided in such regulations and policy statements of such an
14 agency applicable to such sales. The tax imposed by this section is
15 imposed on all cigarettes sold on an Indian reservation to non-members
16 of the Indian nation or tribe and to non-Indians and evidence of such
17 tax shall be by means of an affixed cigarette tax stamp. Indian nations
18 or tribes may elect to participate in the Indian tax exemption coupon
19 system established in section four hundred seventy-one-e of this article
20 which provides a mechanism for the collection of the tax imposed by this
21 section on cigarette sales on qualified reservations to such non-members
22 and non-Indians and for the delivery of quantities of tax-exempt ciga-
23 rettes to Indian nations or tribes for the personal use and consumption
24 of qualified members of the Indian nation or tribe. If an Indian nation
25 or tribe does not elect to participate in the Indian tax exemption

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

LBD01996-01-5

1 coupon system, the prior approval system shall be the mechanism for the
2 delivery of quantities of tax-exempt cigarettes to Indian nations or
3 tribes for the personal use and consumption of qualified members of the
4 Indian nation or tribe as provided for in paragraph (b) of subdivision
5 five of this section. Such tax on cigarettes shall be at the rate of
6 [~~five~~] six dollars and [~~thirty-five~~] twenty-four cents for each twenty
7 cigarettes or fraction thereof, provided, however, that if a package of
8 cigarettes contains more than twenty cigarettes, the rate of tax on the
9 cigarettes in such package in excess of twenty shall be one dollar and
10 thirty-three and three-quarters cents for each five cigarettes or frac-
11 tion thereof. Such tax is intended to be imposed upon only one sale of
12 the same package of cigarettes. It shall be presumed that all cigarettes
13 within the state are subject to tax until the contrary is established,
14 and the burden of proof that any cigarettes are not taxable hereunder
15 shall be upon the person in possession thereof.
16 § 2. This act shall take effect immediately.