



MEMORANDUM

TO: M. L. Orlowsky
R. S. Milstein
FROM: M. J. Shannon *mjs*
DATE: January 7, 2000
SUBJECT: New York Tax

Good memo!
MS - Did you alert RB Spell to this

Governor Pataki signed the legislation that will enact a 55 cents per pack increase in the cigarette tax and add 2 cents to the calculation of the minimum price in New York. The effective date for the increase is March 1, 2000. The floor tax is to be paid in two installments -- May 20 and September 20.

New York Association of Convenience Stores held a meeting in Syracuse on Thursday, January 6, 2000, for all members to determine a strategy to respond to the cigarette tax increase. Jim Calvin of NYACS thanked us repeatedly throughout the meeting and attributed the opposition effort to Lorillard and Brown & Williamson. NYACS remains energized, and we will continue to work with them.

A few items that may be of interest to you:

Newspaper and Radio Ads

- Ran as scheduled and received a respectable amount of attention by radio talk shows and in newspaper articles.
- Attached are the newspapers and radio stations that ran the ads.
- I have the final print ad and the two radio spots should you wish to review.
- Cost for development and placement should be \$400-450,000.
- B&W requested and I have submitted to them an invoice for their \$100,000 commitment.

Telephone Bank

- Telephone bank ran from Monday, December 13 through Tuesday, December 28.
- Total calls patched through were 1235
 - Over 1100 on the Monday (12/27) and Tuesday (12/28) when we ran the ads
 - Over 300 calls to the Governor, the balance to State Senators.
- Cost for the program was \$15,551.

State Reporting Requirements

- Lorillard will be reporting the expenditures incurred for the ads and the telephone bank on the January 15, 2000, New York Lobby Report.

Plan (nc)

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