

38TH STORY of Level 1 printed in FULL format.

Copyright 2000 The Hearst Corporation
The Times Union (Albany, NY)

June 1, 2000, Thursday, THREE STAR EDITION

SECTION: MAIN, Pg. A12

LENGTH: 241 words

HEADLINE: Tobacco tax increase blows up on legislators

BYLINE: FRANK CAREY Troy

BODY:

The May 25 article on the sudden drop in cigarette sales -- and the expected shortfall of tax revenues -- should come as no surprise to anyone, least of all the short-sighted legislators who passed the latest tax increase. What happened to me is no doubt being repeated across the state. Until then, I was content to purchase cartons at a smoke shop for about \$ 20. With the increase, I started looking elsewhere. What I found was Native American Web sites where cigarettes could be purchased for \$ 12.55 a carton, even less than before the tax (and no shipping charges). Even if the total tax were repealed today, I would not return to buying locally.

What this means is that the shortfall in tax revenues is about to become even shorter, as more New Yorkers discover alternate, and cheaper, sources. Like me, I doubt any of them will return to their local vendor.

For too many years, legislators and the governor have sought to balance their books on the backs of people who indulge in tobacco and alcohol products, figuring that this was a safe and secure avenue to get more money. This time, the tobacco portion just blew up in their faces, and it isn't going to come back, although the number of smokers will remain barely changed.

But will they learn? I don't think so -- the next time there's a budget problem, they'll do it again with another "sin" tax, rather than cut out some of the pork in their overinflated budget.

LOAD-DATE: June 2, 2000

98030581



LEXIS-NEXIS



LEXIS-NEXIS



LEXIS-NEXIS