

Lorillard

MEMORANDUM

March 30, 1993

TO: Mr. A.H. Tisch
FROM: N. Simeonidis
RE: New York State Cigarette Tax - Proposed Increase

New York State has for many years taken as its own abandoned property from Delaware citizens (principally corporations) that had been doing business in New York. Today the United States Supreme Court ruled that New York State must reimburse the State of Delaware for such takings, and in the current fiscal year. The amount approaches \$360 million.

Coming as it does on the eve of the budgetary process, this unexpected non-recurring expense is having an extremely negative impact on efforts to defeat the proposed increase in cigarette taxes. Ralph Marino, who last week spoke of an 8¢ per pack increase, has now expressed doubts over whether the increase can be kept that "low".

If possible, I would like to speak to you as soon as possible on Wednesday, March 31, regarding this matter.

NS:sds

cc: J.R. Cherry
A.J. Stevens

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