



MONDAY JULY 10, 2006 Last modified: *Friday, July 7, 2006 10:52 PM EDT*

Groups want taxes collected from Indian enterprises

Amaris Elliott-Engel / The Citizen

Oral arguments were held simultaneously in two separate lawsuits Friday seeking to force the collection of state taxes on sales of tobacco products and gasoline at American Indian enterprises.

The arguments were held in the Albany courtroom of state Supreme Court Judge Michael Kavanaugh.

A convenience store operators lobbying group, the New York Association of Convenience Stores, has sued Gov. George Pataki's administration to compel the enforcement of a law requiring sales tax collection.

Seneca County has filed a similar lawsuit against the state Department of Taxation and Finance, the Cayuga Indian Nation of New York and several cigarette wholesalers.

Seneca County argued Friday that those taxes are earmarked for Seneca County and the non-enforcement of the taxes deprives them of their property, said Seneca County Attorney Steven Getman.

The Cayuga Nation reiterated their stance that their enterprises are sovereign and not subject to taxes. The state Attorney General's office, arguing on behalf of the state, said there is a rational basis to not enforce the law.

One of the wholesalers sued by Seneca County, Frank Colucci Inc., of Niagara Falls, has entered a consent order and agreed to not sell any cigarettes to Indian enterprises, Getman said.

Kavanaugh reserved decision.

Getman said he was "cautiously optimistic" that Kavanaugh would rule in favor of the county, though he didn't have any indication when his ruling would come.

Pataki's administration has refused to enforce a new law requiring sales tax collection that was to come into effect March 1. Pataki officials cited the need to make revisions to the law, and the governor himself has argued that any tax collecting from Indian enterprises should come about from a negotiated compact.

Staff writer Amaris Elliott-Engel can be reached at 253-5311 ext. 282 or at amaris.elliott-engel@lee.net

Read the full report in Saturday's edition of The Citizen.