

# Newsday.com

[Homepage](#) [News](#) [Sports](#) [Business](#) [Entertainment](#) [Shopping](#) [Jobs](#) [Cars](#) [Homes](#) [Place an ad](#)

## Indian nations join in tax-free cigarette fight

BY CARRIE MASON-DRAFFEN  
Newsday Staff Writer

May 25, 2006

Two Long Island Indian nations yesterday announced a grassroots alliance "to defend their right" to sell tax-free cigarettes to non-Indians.

The Unkechaug and Shinnecock nations said stepped-up law enforcement in Suffolk County and legal challenges have hurt their cigarette sales.

"We have formed this coalition because without help from our friends, neighbors and business colleagues, a vital source of our economic activity will be halted," Shinnecock tribal chairman Lance Gumbs said in a statement.

Cigarette sales have been a boon to the nations. They create jobs and have cut the two nations' unemployment and poverty rates significantly, Unkechaug Chief Harry Wallace said in an interview yesterday.

He said polls show that an "overwhelming majority" of New Yorkers "support our ability to become self-sufficient and to operate our businesses in a way that allows us to take care of our own." The new organization hopes to tap into that grassroots support, he said.

Cigarette sales to American Indian customers are tax exempt, but state law requires businesses to collect taxes on sales to non-Indians. New York State collects a \$1.50 excise tax on a pack of cigarettes. In addition, the state and local municipalities charge sales taxes.

The State Legislature has passed a law dictating how the state should collect taxes from the sales to non-Indians. That law was to take effect March 1, but was delayed after the Department of Taxation and Finance asked the Legislature to consider amendments.

That deferral has angered a supermarket group. "The two Indian tribes want to continue to resell cigarettes in violation of state law," said Richard Lipsky, who represents the Neighborhood Retail Alliance in New York City. "They can't compete legitimately with other businesses unless they are excluded from paying the tax."

In March, the Gristedes supermarket chain in New York City sued the two nations, accusing them of helping to "create a thriving black market." The suit is pending.

Copyright 2006 Newsday Inc.

**apartments.com**  
APARTMENT  
Quick Search    
City:  
  
Select a State   
Find it! >>

**Apartments**  
SEARCH BY  
▶ [Map](#)  
▶ [City/State](#)  
▶ [Corporate Housing](#)

**Moving Services**  
SEARCH  
[Credit Reports](#)  
[Roommates](#)  
[Storage](#)  
[Moving Companies](#)  
[Packing/Boxes](#)  
[Truck Rental](#)  
[Utilities](#)