



We serve you

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Albany Legislative Update

Legislature Reaches Budget Agreement

We are proud to report that NYSRA's ongoing legislative efforts have paid off once again. These efforts ensured that Governor Paterson's final budget did not include many of the initial proposals, which would have adversely impacted the restaurant industry. These achievements could not have been attained without the vital support of our members.

With difficult decisions to be made and a \$17.7 billion deficit, legislators decided to close the gap by using \$6.2 billion in federal stimulus money, made cuts worth \$5.2 billion and will generate new revenue amounting to \$6.3 billion. On April 1, 2009 legislators reached an agreement on a \$131.8 billion budget. NYSRA presents you with a recap of the Governor's final budget and its impact on your business and the restaurant industry.

"Obesity tax"

This new tax is an 18% sales tax on non-diet soda, fruit juice with less than 70% juice and carbonated water containing sugar or fruit juice. The tax does not include coffee, tea, cocoa, diet soda and water. The tax must be shown separately from the product price and separately from other taxes charged on sales slips or invoices given to customers. The tax is projected to raise \$404 million this budget year and \$539 million per year thereafter, despite the fact that the Governor is hoping for a 5% decline in sales of these products. The proposal would take effect June 1, 2009.

NYSRA position: Oppose

Result: Removed from the budget

Sales Tax on Amusements

Another new tax would add state sales tax of 4% to any cover, admission, minimum, entertainment or other charge at a restaurant or tavern.

NYSRA position: Oppose

Result: Removed from the budget

Beer and wine excess tax increase

Proposal: to raise the excise tax on beer from 11 cents per gallon to 24 cents per gallon. The excise tax on wine would increase from 18.93 cents per gallon to 51 cents per gallon.

NYSRA position: Oppose

Result: the excise tax on beer will increase to 14 cents per gallon and 30 cents per gallon for wine.

Bottle bill expansion

Expands the current bottle deposit law to include all beverages both carbonated and non-carbonated except milk, wine, or liquor.

NYSRA position: Oppose

Result: Bottle bill will be expanded to include water, which means any beverage identified through the use of letters, words or symbols on its product label as a type of water, including any flavored water or nutritionally enhanced water, provided however, that "water" does not include any beverage identified as a type of water to which sugar has been added.

Repeal of Mandatory Foodhandler Certification

The Governor has also put a line in the budget that would repeal the previously enacted law requiring one foodhandler per establishment be certified in proper foodhandling techniques. The Governor explained that he is repealing the section due to the implementation cost to the State Health Department.

NYSRA position: Oppose

Result: The provision was not repealed, but language was added to say “To the extent that funds are available”. This means that NYSRA will have to continue working with the State Health Department to figure out when they will begin enforcement.

Make QuickDraw permanent

This proposal deletes the expiration date authorizing QuickDraw, thereby making it permanent.

NYSRA position: Support

Result: The language making it permanent was left out of the budget, but QuickDraw is authorized until next year.

I ♥ NY Tourism Funding

Tourism funding was cut from its recent levels of \$15 million to \$11 million.

NYSRA position: Oppose

Result: Tourism funding was further reduced to \$9 million.

If you have any questions about this or other bills before the New York State Legislature, please contact Melissa Fleischut, Director of Government Affairs at melissaf@nysra.org or 800-452-5212.