



Bodega Owners Fume Over New Cigarette Tax

'WE'RE LOSING ALL OUR BUSINESS': SEPTEMBER SALES DECREASE 62% YEAR-OVER-YEAR

By **YAEL KOHEN**,
Special to the Sun

New York City's 15-week-old cigarette tax has, as expected, been a boon for City Hall coffers and a bane for bodega owners.

The city has collected a total of \$44.3 million from the tax from July to September, which was above what the city had hoped to bring in, according to a City Hall source. For bodega owners, however, the city's gain has been their loss.

"We're losing all our business," said Jose Fernandez, president of the city-based Bodega Owners' Association of the United States, which represents about 7,000 bodega owners.

Mr. Fernandez, who owns two small bodega grocery stores in the Bronx, said that cigarettes and beer had accounted for most of his sales and now the tax has put a crimp in that.

Citywide cigarette sales dropped nearly 62% in September compared with last September, according to city figures.

Mayor Bloomberg championed the cigarette tax earlier this year as a public health crusade that would force New Yorkers to quit smoking.

On July 1, the city increased the cigarette tax from 8 cents to \$1.50 per pack. Cigarettes in the city now cost as much as \$7.50 per pack. In response, some smokers have started buying their cigarettes off the Internet or out-of-state.

According to Mr. Fernandez, the first two months of the tax has meant a 51% decline in bodega cigarette revenue. With fewer customers venturing into the store to



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TAXING Bodega owner Ramón Murphy, center, opposed the hike.

buy cigarettes, overall revenues have also taken a hit. They have fallen 42% to 49%, he said.

At Jin Market in Tribeca, manager Leo Lim said cigarette business has been slow, but it won't make or break his business.

The biggest "pain," he said, is listening to customers grouse. "Not many people are going to buy cigarettes without complaining," he said. "They have no choice if they want to smoke."

Mr. Fernandez said his customers have found crafty ways to get around the tax. Some are going online; others go to New Jersey to feed their addiction. Most frustrating for Mr. Fernandez, though, is watching his customers buy cigarettes from illegal vendors right outside his store for \$4 a pack.

That's made Mr. Fernandez and other member of his association question the wisdom of having cigarette licenses at all.