



State Court Ruling Allows Implementation of Tax Law Provisions Related to Cigarettes Sold on Indian Reservations to Go Forward

The New York State Supreme Court, Appellate Division Fourth Department, in *Seneca Nation of Indians v. State of New York*, issued an order denying the Seneca Nation of Indians' motion for preliminary injunction pending appeal and vacating the temporary restraining orders issued June 9, 2011, and June 10, 2011.

Based on this order, the Tax Department will immediately implement the Indian tax exemption coupon system and the prior approval system. For more information, see:

- [TSB-M-10\(6\)M, \(8\)S](#), *Amendments to the Tax Law Related to Sales of Cigarettes on Indian Reservations Beginning September 1, 2010*
- [TSB-M-11\(4\)M, \(7\)S](#), *Federal Court Allows Tax Department to Proceed with the Collection of Taxes on Cigarettes Sold on Indian Reservations*

Wholesale dealers (including agents) are required to collect the cigarette excise tax and prepaid sales tax on all cigarettes sold for resale on an Indian reservation to non-Indians and non-members of an Indian nation or tribe. All packs of cigarettes sold by wholesale dealers to Indian nations and tribes and reservation cigarette sellers are required to have New York tax stamps affixed to them. Wholesale dealers may sell stamped packs of cigarettes to Indian nations and tribes and reservation cigarette sellers exempt from tax to the extent Indian tax exemption coupons are provided or to the extent prior approval is received from the Tax Department.

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