

# Bodegas balk at anti-cig plan

**Group opposes measures aimed at discouraging smoking**

BY KEN CHRISTENSEN

As the setting sun cast a shadow over the awning of Red Apple Deli Supermarket on West 143rd Street in Hamilton Heights, owner Ramon Murphy walked out onto the sidewalk and received a familiar greeting from a passerby: “King!”

“I’ve been on this corner 17 years,” said Mr. Murphy. “Everybody knows me; that’s what they call me.”

But lately Mr. Murphy, president of the Manhattan-based Bodega Association of the U.S., finds himself fighting for attention as the group opposes public-health proposals that, it argues, threaten members’ livelihood. After helping to defeat Mayor Michael Bloomberg’s controversial “soda ban”—rejected by a state Supreme Court judge in March—members are opposing what they see as another affront: a trio of anti-tobacco bills.

**Display ban**

At the request of Mr. Bloomberg, City Council members proposed a law in late March that would forbid the display of tobacco products and packaging in stores. A second bill would ban retailers from redeeming discounts for tobacco products, require individually sold cigars to be bundled in packs of four, and increase the minimum price of a pack of cigarettes to \$10.50. And a third proposal, co-sponsored by City Council Speaker and mayoral candidate Christine Quinn, would raise the minimum age for tobacco purchases to 21 from 18.

**190%**  
INCREASE in New York state excise tax rate on cigarettes, 2006 to 2011

**70%**  
INCREASE in tobacco smuggling rate, same period

Source: Tax Foundation

“It’s one after the other, and it’s already difficult to make a business in this city,” said Mr. Murphy, who noted that his four-employee store is profitable. “When someone hits us, we’re going to hit back.”

The Bodega Association has joined a coalition of 13 business groups, backed by tobacco giant Altria Group Inc., the parent of Philip Morris USA, to fight the measures. There are 2,636 bodegas licensed to sell tobacco products in the city, generating an average of almost \$60,000 in annual tobacco sales, according to a June report issued by the coalition. The typical bodega

stands to lose 15% of total annual revenue if the proposals take effect, the association estimates. Public-health advocates say the proposals would deter young tobacco users.

Opponents in the association worry about the fines built into the tobacco display ban—\$1,000 for one violation and \$5,000 for three. They say that prohibiting discounts and raising the legal age for tobacco purchases will drive customers to scofflaw tobacco peddlers.

Sellers on the black market “don’t pay taxes, and they don’t ask for ID from kids,” said Radhames Rodriguez, owner of Tinton Grocery Store on East 163rd Street in the Bronx, which he says is profitable and brings in \$16,000 in weekly revenue.

**‘Pandemic’ tax evasion**

Mr. Rodriguez, who joined the association last year, said he loses sales on more profitable fare, like deli sandwiches, when customers buy ciga-

rettes on the street and don’t visit.

The city’s finance commissioner, David Frankel, called cigarette-tax evasion “pandemic” at a hearing in May. Nearly 61% of cigarettes statewide in 2011 were smuggled and sold on the black market, as smokers avoided the highest state excise tax in the nation, according to a 2013 Tax Foundation study. On each pack, customers pay \$5.85 in excise taxes—\$4.35 from the state and \$1.50 from the city.

Not every owner is worried. “It’s not such a big part of the business,” said Bassam Ali, who sells five or six cartons a week at Junior’s Deli & Grocery in Park Slope, Brooklyn. ■



**UP IN SMOKE:** Ramon Murphy says anti-tobacco laws would hurt bodegas’ sales.

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