



JEWELERS OF AMERICA

PRESS RELEASE
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Jewelers of America Commends New York's Budget Vote on April 3rd, Which Officially Rejects Luxury Tax

Lawmakers in New York approve budget with no 5% tax on jewelry and watches over \$20,000

New York, NY – Jewelers of America, the national trade association for businesses serving the fine jewelry retail marketplace, announced that the New York legislature has now officially passed the State's FY 2009-2010 budget – without imposing a 5% luxury tax on jewelry and watches over \$20,000. “Because changes to the budget can occur until the last minute, we wanted to wait until the vote had taken place – and that the luxury tax was not included – before claiming victory,” says Jewelers of America President and CEO Matthew A. Runci.

“This is a huge victory for jewelers in New York State and demonstrates how powerful the voice of the jewelry industry can be when it works together,” adds Runci. “Interested parties, from single-store independents to multinational luxury brands, pitched in to send a clear message to Albany that this unworkable tax legislation would have been a burden to jewelers and unbeneficial to New York State.”

“We'd like to thank our members in New York State, the New York State Jewelers Association and our colleagues throughout the jewelry industry who joined in this effort to fight the luxury tax. We also commend the State Senate and Assembly and Governor David Paterson for listening to the concerns of our members and the industry by removing the luxury tax provision from the state budget.”

In January, Jewelers of America and the American Watch Association hired a lobbyist in Albany, the state capital, to advocate on the industry's behalf. Those efforts coincided with an aggressive anti-luxury tax letter and fundraising grassroots campaign, in which sample letter-petitions and the addresses of key New York State legislators, as well as Gov. Paterson, were provided to wide array of industry stakeholders, in both the retail and supplier community. The New York State Jewelers Association also helped to galvanize members to call or write to their representatives.

The decision to remove a luxury tax on jewelry follows jewelers' recent victory in the State of Illinois, where a similar luxury tax proposal has not been pushed forward by the Illinois State Legislature's Revenue and Finance Committee. Jewelers of America launched a similar anti-luxury tax letter and fundraising campaign in this state, reaching out to its state affiliate, the Illinois Jewelers Association, and the non-affiliated Chicago Jewelers Association.

"The success of anti-luxury tax campaigns in both New York and Illinois is especially important during these times of financial distress," says Runci. "By eradicating such damaging legislation – before it gains momentum in other states, or the federal government – we send a powerful message to leaders in state houses and in Washington, D.C. that the jewelry industry is a force to be reckoned with."

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About Jewelers of America:

Jewelers of America is the national trade association for businesses serving the fine jewelry retail marketplace, representing 11,000 member stores. Jewelers of America's primary purpose is to improve consumer confidence in the jewelry industry by: serving as a forum for discussion and analysis of issues; playing a leadership role in public, government and industry affairs; advocating professionalism, including high ethical, social and environmental standards; and facilitating members' access to education. For more information about Jewelers of America, visit www.jewelers.org.