



Department of Taxation and Finance

Important

The information concerning the Petroleum Business Tax in this TSB-M is out-of-date and is provided only for historical purposes.

For the most up-to-date information about the Petroleum Business Tax including rates, see [Petroleum business tax](#).

The TSB-M begins on page 2 below.

Article 13-A - Disallowance of deduction for Federal
Tax on Diesel Fuel

The Federal excise tax imposed on sales of diesel fuel on or after April 1, 1988, will no longer be allowed to be excluded from the computation of taxable gross receipts subject to Article 13-A of the New York State Tax Law.

Article 13-A of the New York State Tax Law imposes a tax on petroleum businesses taxable in New York State. When the petroleum business computes its gross receipts which are subject to the Article 13-A tax, as described in TSB-M-83(22)C, certain taxes imposed directly on the purchaser are excluded. Taxes imposed upon the manufacturer or producer are considered costs of doing business and are therefore included in taxable gross receipts.

As a result of recent Federal legislation (Public Law 100-203), the Federal tax on diesel fuel is considered a manufacturer's excise tax with respect to sales occurring on or after April 1, 1988 and will be imposed on the producer or importer. Accordingly, the Federal tax on diesel fuel incurred on or after April 1, 1988 should be included in determining taxable gross receipts for purposes of Article 13-A.